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**LOOKING
AHEAD...**

2021 AND BEYOND

Editors' Introduction

For many of our readers, 2020 will have gone down as being one of the most eventful years of their life. From the COVID-19 crisis to the culmination of Brexit, natural disasters such as the wildfires in Australia to the killing of George Floyd sparking new momentum for the Black Lives Matter movement, the year contained something uniquely monumental for everyone around the globe. Our writers have picked up on the most important of all these trends and events. Each year is not its own chapter in history: the forces that rocked 2020 will still exist in 2021. We have produced this special edition of The St Andrews Economist to help you understand what is in store for the world for 2021 and beyond.

If the first two weeks of this new year are anything to go by, then 2021 will be just as dramatic as 2020. The storming of the Capitol Building in the US set a new precedent in US history. Hannah Pedone explores how this fatal weakening of US democracy will affect its relations with African nations in "American Democratic Backsliding and the Future of U.S.-Africa Relations" (p. 33). Dhruv Shah also demonstrates how the US' weakening influence is affecting the security of the Middle East in "The (gradual) rise of Asia in the Middle East & the decline of US led security architecture" (p. 30).

Over in the United Kingdom, Ross Alexander gives a survey of the year to come in "2021: A "Fantastic Year" for Britain?" (p. 22). Narrowing in on the government's economic response to the pandemic, Morgan Anthony asks "How Sharp Are the Government's Fiscal Tools?" (p. 19). Further north, Cameron Fulton talks about Scottish politics and the continuing debates over independence in "Tweeters of Independence: Scotland, COVID-19 and IndyRef2" (p. 16). Lastly, in "Black Lives and Books" (p.13) Mira Mansfield gives a review of three excellent books that tackle racism and highlights their importance in understanding and confronting the continued structural racism that sadly still prevails in both the UK and US.

In sharp contrast to much of the West, Asia has overall suppressed COVID-19 exceptionally well. Many Asian nations now enter 2021 with ease and without as many of the messy lockdowns still plaguing the West. Ming Lee walks through how this will help Asia's rising dominance and power in "Asia's Dominance in the 21st Century" (p. 3).

China in particular is notable for its strong (albeit heavy-handed) response to COVID-19, especially given that they initially tackled the pandemic with no knowledge of the virus. Thomas Pigatto illustrates the optimism now felt at the very top of China's leadership in "Xi Jinping's New Year Address: All Celebration, No Resolutions" (p. 1). This optimism will be accompanied by attempts by China to expand its influence throughout the rest of Asia, as explained by Hugo Clapshaw in "China In 2021 and Its Relationship With ASEAN" (p. 6). Saskia Giraud-Reeves speaks about in "The Future of Trade in the Asia-Pacific Region: Who Will Dominate – China or the US?" (p. 8) how this will lead to a difficult position for the US and its trade relationships in Asia as it tussles with China's growing influence. More broadly, Will Thompson discusses the future of the US-China relationship and what it will bring in 2021 in "The USA and China: Containment, Engagement or Détente?" (p. 10).

Finally, China's growing economic development has come hand in hand with its growing technological prowess. Sam Bower explains how it will attempt to use this technology to develop its own digital payments system to gain greater influence in the global financial world, in "Digital Payments Systems: The Key to Chinese Hegemony?" (p. 47).

With much of the world still in the grips of harsh lockdowns, it is easy to forget what got us here. In “The Pandemic Blame Game: What Really Caused Covid-19?” (p. 51) Hannah Comiskey examines the man-made environmental factors that helped bring about COVID-19, and presents the important point that the current responses to the virus will do nothing to help prevent another equally damaging, if not worse, pandemic in future. These same environmental factors mean that climate change remains as pressing an issue as ever. 2020 began with humongous wildfires in Australia. 2021 will likely have its own natural disasters or extreme weather, boosted by the rising global temperature. In “COP26: Runaway Climate Change – Can it be stopped?” (p. 42), Aisling Richmond discusses the upcoming COP26 conference in Glasgow this November, and the prospects for a new international agreement on climate change. Taking a more long-term view of the history to come, Ryan Morrice then forecasts in “Climate Change: Is there hope?” (p. 44) the potential for a more positive outcome to climate change than what many today predict.

Meanwhile, by analysing the demographic trends accelerated by COVID-19, Peter Hourston considers the economic ramifications of these developments in “The Beginning of the End? Demographic challenges in the wake of COVID-19” (p. 26). Coming back to the near future, there is plenty to be optimistic about. The race to vaccinate populations against COVID-19 means that the end of our universal fight against the health and economic battles posed by the virus and national lockdowns it has prompted is now in sight. In “The Future of the Arts in 2021” (p. 36) Charlie Flynn explains how theatre, film, and music have been affected by the pandemic and their prospects for the post-covid world. And the sky’s the limit—unless you are an (inter)national space agency or rocket-producing corporation. In 2021, they’re all trying to race to Mars, as Lyle Horn showcases the grand competition in “The Race to the Red Planet” (p. 40).

If 2020 is anything to go by, 2021 will certainly have a lot in store. As economies grapple with the realities of rebuilding themselves following the COVID-19 pandemic, governments, businesses and individuals face a world very different to the one we left at the end of the 2010s. Uncertainty is inevitable. No one could have predicted the scale to which the political and economic events of 2020 played out, nor the huge social and cultural shifts they prompted. At the St Andrews Economist, we will, however, strive to continue offering clarity and insight on the unfolding trends, policies and events that will take place, as we welcome in the new year.

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Xi Jinping's New Year Address: All Celebration, No Resolutions

2020 is a year which will live in infamy. Principally, the year will be remembered for the outbreak of the COVID-19 pandemic, which has taken nearly 2 million lives, devastated economies, and fundamentally changed day-to-day life for billions of people worldwide. Against this backdrop, the death of George Floyd at the hands of Minneapolis police ignited widespread social unrest, prompting protests and conversations about racism, social injustice, and the role of police in modern society around the world. Among other headlines from last year, wildfires in Australia and California, the deaths of the beloved Kobe Bryant and Ruth Bader Ginsberg, downed aircraft in Pakistan and Iran, and the deadly Beirut explosion contributed to an overall sense of restlessness, anxiety, and uncertainty in the global mass consciousness. With 2021 kickstarted with news of several [new](#)

[strains](#) of coronavirus and an assault on the U.S. capitol building by supporters of President Donald Trump on January 6th, this gloomy and pessimistic tone appears certain to continue into the new year for most.

However, despite this cynical global consensus, Chinese President Xi Jinping maintains a very different perception of 2020 and years to come. If you were a Chinese citizen who watched Xi Jinping's 2021 New Year address on China's state-owned media outlet CCTV, 2020—and the future—have been portrayed in a very different, more optimistic light.

The speech was given from Beijing, with an uncharacteristically bubbly Xi Jinping seated in front of China's flag and a large portrait of the Great Wall. In unusual fashion for the typically reserved Xi, the President issued his speech surrounded by personal photographs, including military photographs from the 1970's and rare family pictures of Xi with his wife Peng Liyuan and daughter Xi Mingze, emphasizing the leader's persona as not only the leader of the Chinese nation, but also as a devoted family and party man.

Though the pandemic was the first item on Xi's agenda, the topic was reduced to something of

a footnote, with the leader spending only about a minute of the 14-minute speech on the topic. Despite the virus's Chinese origin and [nearly ninety-thousand](#) deaths reported by the Chinese government—though the actual death count is the topic of much speculation—President Xi uttered little about the virus except praise for the Chinese nation. “[The Chinese people] pooled their drops of strength into tremendous power and built an iron wall to safeguard lives”, [said Xi](#), “we overcame the impact of the pandemic, and made great achievements in coordinating prevention and control, and in economic and social development”.

Using this as a segue, Xi Jinping transitioned into the main topic of his New Year's Address: commemorating the success of the Chinese Communist Party (CCP) as it approaches the 100-year anniversary of the party's foundation in 1921, and its steadfast commitment to achieving the party's “historic mission of national rejuvenation”.

Namely, President Xi referenced the CCP's success in fully accomplishing the party's 13th Five-Year Plan, and the fact that the party is “accelerating the pace to set up a new pattern for development” in the 14th Five-Year Plan of the CCP. Xi proclaimed China as the “first major economy worldwide to achieve positive growth” in 2020, citing China's expected 2020 GDP of 100 trillion yuan (£11.4 trillion) as a great success for the Chinese nation. Xi emphasized the scientific “breakthroughs” achieved by China in 2020, including the Tianwen-1 Mars mission, Chang'e-5 lunar probe, Fendouzhe deep-sea manned submarine, and the construction of the Hainan Free Trade Port in the South China Sea as great technological leaps for China. He also proclaimed 2020 as the year that China achieved “decisive success in eradicating extreme poverty”.

All of this, Xi asserts, represents the success of the CCP—under his leadership—in realizing the first of China's two “centenary goals”: achieving a “moderately prosperous society” by the 100-

year anniversary of the founding of the CCP, or in quantitative terms, [doubling China's 2010 per capita GDP](#) by the end of 2020. With Xi declaring this goal achieved, he will now lead China towards achieving the second centenary goal of “building a modern socialist country” by 2049, the 100-year anniversary of Mao Zedong's proclamation of the People's Republic of China following victory in the Chinese civil war.

Xi's address offered little in the way of New Year's resolutions for China's many domestic issues and international disputes, such as the [protests](#) in Hong Kong, [human rights abuses](#) of Uyghur Muslims in Xinjiang, and ongoing [border skirmishes](#) with India and in the [South China Sea](#).

If China's goals of “national rejuvenation”, creating a “moderately prosperous society”, and “building a moderately socialist country” sound vague, that's because they are. In loosely defining China's goals, Xi Jinping is crucially able to determine himself whether or not China has met them.

Propaganda or not, China's perceived success represents a massive win for the legitimacy of the CCP and Xi Jinping himself, who recently declared himself [president for life](#) in 2018. With China at the “historic crossroads” of its two centenary goals, Xi Jinping's message is clear: China will continue to rise, and I am the one who made this possible.



Asia's Dominance in the 21st Century

As we enter the 21st year of the 21st century, it is now clearer than ever that there has been another shift in the status-quo regarding global affairs. In the 18th century, the British Empire rose to dominate the world with their industrial expansion. A century later, America emerged from the Second World War as the world's superpower. Now in the 21st century, the world has once again been shocked, this time by the Covid-19 Pandemic, and it seems that it may be the catalyst required for Asia to take America's place.

Prior to the era of the Pandemic, the widely accepted consensus of the West dominating the global economy was already being dispelled. The US may have dominated the world for the past century, but as they remained the largest world power economically, Asian countries had already been growing rapidly for a number of years, experiencing many economic booms. The world may have failed to notice Japan and the Tiger Economies' miracle growths, but the

spotlight is now on Asia as China's development takes the stage.

The most drastic change in perspectives occurred when the world was overcome with the Covid-19 virus, and the world watched as governments were thrown from their comfort zones and forced to fight to contain the virus. Never before had there been an opportunity to compare every single governments' capabilities in response to an unprecedented threat like this, and the result of this 'experiment' has highlighted shortcomings of those at the top that may not have otherwise been brought forward.

During the initial timeline of the virus, the West's relatively laissez-faire attitude towards governance contrasted with the East's strict response. As the UK government told Britons to wash their hands more, the city of Wuhan had been placed into an unprecedented lockdown which even went beyond World Health Organisations' (WHO) guidance. Despite face masks being prevalent in Asia, not only during the Covid-19 pandemic but also during the previous SARS outbreak, many Western countries disputed the effectiveness of masks, and many anti-mask sentiments were displayed by many Western authority figures. After

months of stating that masks had no effect on the virus, the UK government mandated that face coverings had to be worn indoors only in July. Despite the obvious effect of the virus in Asia, and Asia's better experience in responding to outbreaks, why did Western countries not follow in the footsteps on Asia's response?

This lack of taking guidance from Asian countries goes to emphasise Western economies' hubris. A politically polarised USA failed to agree on a basic public health strategy, and the UK plunged its country into lockdown after lockdown, with its strategy being best described as one U-turn after the other. All the while, Asian countries such as South Korea implemented strict, effective and technologically advanced contact tracing systems, creating a system to effectively manage the virus that was twice as effective as efforts from the US or UK at the time. For the first time in history, residents of Western countries were asking "Why can't we do what South Korea has done?"

The difference in the handling of the virus by the different governments draws to attention the basic competency of the governments, and also deeper cultural differences that affected the receptiveness to responses. The difference is clearly shown when looking at the different sentiments that are shown towards leaders in the different countries. Linking back to a prominent focus of meritocracy in Confucian culture that still influences cultures in many Asian countries, most Asian citizens believe that those in positions of leadership are highly qualified and are the best fit for the job. On the contrary, many will agree that many leaders in the West are not qualified or experienced. For example, only the top graduating students can gain entry to roles in the Chinese Communist Party, whilst the currently incumbent American President is a former reality-TV personality with no former experience in politics.

Now as Asian countries emerge from the pandemic, and Western countries are still in the midst of it, there seems to be a new admiration

that has not been seen before of Asian countries. The tables are now turned as Asian countries question the West's lack of competent governance, they begin to once again grow and thrive at a time where the rest of the world are at a standstill.

There are two main differences in Asia's future growth that differentiate it from its past development. First of all, Asia is beginning to rely more on intra-regional trade, becoming more 'Asian'. As Asian countries continue to achieve growth by trading with the rest of the world, they are now putting a larger focus on growth in trade within Asia. As Brexit complicates trading relations in Europe and as the US increasingly isolates itself by withdrawing from the Paris Agreement, Trans-Pacific Partnership and World Health Organisation, Asia is focusing on streamlining its intra-regional trade in several dimensions.

The recently agreed Regional Comprehensive Economic Partnership (RCEP) which involves multiple Asian countries that combined hold nearly a third of global GDP and population is now the world's largest trading bloc and is yet another way that Asia is simplifying the way trade occurs within the region. Taking charge of global GDP growth after the pandemic, the agreement is estimated to increase global national income by \$168bn in the next ten years.

Additionally, with historical links to the Silk Road from the Han Dynasty, increasing investment in urban infrastructure has mainly been driven by China's Belt and Road initiative, which connects China and other Asian countries to the rest of the world. Not only will the infrastructure facilitate easier trade from East to West, but also from North to South within Asia. The multiplier effect to GDP created from the better trade links will see Asia's share of global consumption rise by 10% by the year 2040.

The second difference in Asia's current growth is that the region is now experiencing a fourth wave of growth. In the past, Asia had experienced three waves of growth with Japan

coming first, followed by the 'Tiger' economies (Hong Kong, Taiwan, South Korea, Singapore), and most recently China. Now, the fourth wave of growth in Asia will consist of Southeast Asian countries such as Pakistan, India, and what are referred to as the "Tiger Cub" Economies. As these countries improve education and health care provision, as well as focusing on digitalising their economies, they experience high GDP growth rates which warrants predictions of prosperity in the future.

However, Asia is a non-homogenous and complicated region, with success in one area not implying success in another. For instance, most of the growth and development in the continent so far has come from Eastern Asian countries. Even with infrastructure investments and a free trade agreement that should benefit the whole of Asia, it is still likely to benefit the already developed nations, such as Japan, China and South Korea the most. The RCEP may convey that the region is one that is united, but the notable lack of India as part of the agreement reminds us of the ongoing tensions between China and India that are cited to be a main reason of the withdrawal. Social issues are also an important factor that cannot be ignored whilst evaluating Asia's growth and success. Even though China is set to overtake the USA and have the highest GDP in less than ten years, the country has a history of a lack of regard for human rights issues, such as the imprisonment of Muslim Uighurs in Xinjiang.

As we are beginning to look beyond the Pandemic and into a future without it, we can see that it is Asia that has emerged from it as winners. With more growth in trade in Asia than anywhere else in the world, and with 50% of growth in consumer demand in the next decade directly coming from Asia, it is clear that Asia has already risen to become the world superpower. The future of Asia's growth both economically and politically will not be a straightforward path though. As Asia solidifies its place at the top and continues to become a larger player in global affairs, more and more attention will be drawn to the region. Growing

concerns from the rest of the world will need to be addressed, but it is without a doubt that the Asian century is not within our future, but in our present.



China In 2021 and Its Relationship With ASEAN

Growing China:

Despite the Coronavirus pandemic, China enters 2021 as a stronger, more influential power. While countries worldwide are sliding into recession, China has bounced back to moderate [economic growth](#). In November, exports increased by a record-breaking 21 percent year on year, showing that global demand for products ‘made in China’ even increased during the crisis. Increasing normality in everyday life in China post Covid-19 is appearing to encourage state and Communist Party member Xi Jinping to become more assertive. In the diplomatic arena China has started throwing economic punches towards states that have criticised its Hong Kong policy or its approach towards trade with Australia. This will likely continue into 2021 as the nation looks to further expand its influence in the [south east Asia region](#)

China’s Aggressive Approach:

The Lowly Institute’s Richard McGregor contends that rather than a self-assured poise, China’s international behaviour in 2021 will continue to veer in the direction of bullying, fuelled by insecurity. This is due to Xi’s view that China is an existential struggle against implacable foreign enemies set on destroying China. Australia will be one of the main states to face this treatment this year – dialogue on the leader and ministerial level have already been refused and more exports will be targeted (following on from coal and wine). Propaganda campaigns have also been deployed such as the controversial tweet by the Chinese foreign ministry displaying a provocative fake image of an Australian soldier, serving in Afghanistan.

ASEAN’s Approach Towards China:

The ASEAN members are likely to suffer more from the economic, strategic and military rivalry which will continue to play out between the United States and China. ASEAN members will carry on welcoming American military presence and dominance in the region to counter China’s growing influence. However, they know that conflict between the two superpowers would be

disastrous for them. South East Asian diplomats will thus not openly support the anti-China rhetoric which would likely be continued by the new Joe Biden administration.

Importantly, China is the geographic neighbour of most ASEAN countries and is too powerful to turn against. It is by far South East Asia's biggest trading partner and its second biggest investor, after Japan. ASEAN's future prosperity will consequently be as bound to China as its supply chains are.

The ASEAN members in 2021 will therefore carry on pursuing a hedge, balance and bandwagon approach towards the US and China. Bilihari Kausikan, Singapore's top former diplomat, argues that ASEAN members have a knack of doing all three and that they would pursue this tactic despite the tough challenges it brings. For instance, in the Philippines, President Duterte will keep wooing Mr Xi over Chinese investment, while simultaneously attempt to improve military ties [with the US](#). ASEAN members will likely do more to protect themselves from China's aggressive diplomacy, by inviting Japan, South Korea, Australia and India to build greater resilience into supply chains that are currently heavily exposed to China, which would add greater regional security protection. Hedging, balancing and band wagoning rests on one big assumption: that neither America nor China actually intend on decoupling their two economies entirely and thus it comes with big risks (although this complete uncoupling is unlikely to occur).

Carrot and Stick?

There is some evidence that China is beginning to appreciate, in some instances, that its bully boy approach towards other states is counterproductive, and that making greater use of 'carrots' rather than 'sticks' can be more effective, could have interesting implications for 2021. An example of this new strategy is China's new vaccine diplomacy in South Asia. Countries in this region, such as Indonesia, have been hit hard by COVID-19. But last week, Jakarta received 1.2 million doses of a vaccine

manufactured by a Chinese pharmaceutical [company, Sinovac](#). China is describing this effort as a "Health Silk Road", with more pledges to provide billions in aid and loans to mostly developing countries to help them recover from the pandemic this year.

However, China will continue to economically punish Australia, through higher tariffs to remind the greater southeast Asia region of the benefits of staying in Beijing's good books, as well as costs of crossing it. Australia's neighbours such as Indonesia and Malaysia have been notably quiet on this, and this will likely endure in 2021.

China will look to further disrupt ASEAN member solidarity by continuing to drive a wedge into the organisation by turning Cambodia and Laos into client states.

Finally, Mr Xi's claims to speak for all ethnic overseas Chinese populations, including the 30 million South East Asians of Chinese ancestry, may increase the risk of nativist politicians using anti-China feelings to whip up racial hatred in countries with either significant or majority Han Chinese populations, such as Singapore or Malaysia. This could leave several ASEAN members such as these in a serious predicament and undermine their hedge, balance and bandwagon approach towards China and the US.



The Future of Trade in the Asia-Pacific Region: Who Will Dominate – China or the US?

It is no secret that Trumpian US foreign Policy and that of the economic powerhouse of China are not a match made in heaven. But with the President elect Joe Biden poised to climb upon the all-American throne in the coming weeks, will 2021 mark the withering of four years of trade tensions between the two economic giants?

November last year, marked the signing of the Regional Comprehensive Economic Partnership (RCEP), marking it the first free trade agreement between China, Indonesia, Japan, and South Korea, which are the four largest economies in Asia. The agreement - that also included 11 other member states from across the Asia-Pacific region - was hailed as signifying the increasing

decline of the dominance of the United States in international political affairs and of the rise of Asia once again as an economic centre of trade.

The new deal covers over 2.2 billion people which far outnumbers any previous regional free trade agreement and is likely to only further China's reputation as the principal economic power in the Asia-Pacific region. Its creation notably followed a retreat by Washington from participating in all-encompassing trade deals that often reshape international relationships. In 2017 as part of what at the time seemed to be an early neo-mercantilist turn, President Donald Trump removed the US from the Trans-Pacific Partnership (TPP) - which is a broader deal than that of the RCEP - and was frequently considered the US's response to China's increasing dominance in previous years in the Asia-Pacific region.

So, the question remains to be seen - will 2021 mark the increasing absence of the US in Asian-Pacific trade and the rising dominance of China or will the president-elect Joseph Biden renegotiate Washington's place within the Asian trade market? If the US continues to be absent from the key Asian trade agreements, it may put American exporters at a notable disadvantage within the Asia-Pacific markets. The lower trade

barriers between members of the agreement may encourage global corporations to avoid American tariffs on Chinese-produced goods and keep their business within Asia.

Trump's successor is yet to indicate whether he would be willing to negotiate with or join the RCEP in the coming years. Although Biden and his team have made it clear that they will not rush to immediately overturn all of Trump's trade policies, they have declared an ambition to launch America back as a smarter and a more orderly challenger to their East Asian rival – China. Certain economists have suggested that the new presidential administration will be expected to offer their allies in the Asia-Pacific region alternative economic and soft-political instruments, else the seeming geostrategic importance of the US within the region will continue to be undermined by its absence from larger regional trade agreements like the RCEP. It could be suggested that the US will have to reverse its trend of neo-mercantilist protectionism seen in the last four years and instead take a more active and participatory role in the region in order to maintain its future economic interests

Without greater participation from the US in projects such as the RCEP, we may see this year see a continuation of patterns of increasing intra-East Asian trade and investment that will only enhance the dominant roles already played by both China and at times Japan in the region. The US policies under the Trump administration that have been aimed at blocking trade expansion and further investment opportunities surrounding China instead of helping encourage regional economic integration have caused tension between Washington and regional actors like Japan as well as with the ASEAN group. Therefore, it would be unsurprising if in 2021, Biden attempts to re-establish the US not only as an attractive ally in the region both economically and politically.

So, will 2021 be the year we see Washington change its recent ways and participate in the trend for integration and free trade spreading

across the Asia-Pacific region or will the new American administration attempt to continue to resist cooperation with agreements that benefit Chinese competitors? Only time will tell.



The USA and China: Containment, Engagement or Détente?

On January 15th, 2020, President Donald Trump and Vice Premier Liu He [signed a trade deal](#) in an attempt to relax the tensions between China and the USA that had escalated due to the trade war of the last two years. The trade deal aimed to reduce tariffs, whilst committing the Chinese government to buying an additional \$200 billion worth of American goods over the next two years, signalling hope that the world's two largest superpowers may avoid what International Relations theorists describe as the 'Thucydides' Trap': the situation whereby conflict arises after a rising power supersedes the incumbent hegemon.

The US-China relationship presents somewhat of a conundrum for foreign policy experts across the globe. On the one hand, American foreign policy decision makers have fostered a

policy of engagement: a strategy espoused by the apostles of liberal internationalism such as John G. Ikenberry as a process of socializing China into the liberal world order through multilateral engagement and economic interdependence. On the other hand, most notably under the Trump administration, the United States has attempted a policy of containment: first articulated under Barack Obama's 'pivot to Asia' and ramped up under Donald Trump's trade war against the Chinese government.

Fundamentally, neither policy has been successful in securing US interests. China has both been a prophet of free market capitalism and globalization, crafting multilateral institutions such as the Asian Infrastructure Investment Bank (AIIB) which boasts members such as the UK, Germany, France and South Korea (much to the chagrin of the USA). Yet, at the same time, has failed to conform to the rule of law, particularly with regards to its human rights abuses against the Uyghurs and the people of Hong Kong. China now also boasts the world's largest economy (in terms of Purchasing Power Parity, considered by economists to be the most accurate metric of economic strength) and is engaging in a policy of 'geo-economic diplomacy' through its Belt and Road Initiative

(BRI) whereby it plans to invest over \$1 trillion across six international economic corridors, increasing the level of economic interdependence between China and the rest of the globe and shifting the international order in its favour.

On July 23rd, 2020, [Secretary of State Mike Pompeo](#) declared that the era of engagement with China is officially over, and he called upon democracies worldwide to press Beijing in supporting the rules-based international order. Pursuant to this denunciation of engagement the USA has sought to exit various multilateral institutions such as the Paris Climate Accord, UNESCO, The UN Human Rights Council, and the UN Convention on the Rights of the Child (to name just a few). In 2020 this policy was most apparent when Trump [promised to freeze America's funding](#) to the World Health Organisation after he argued it had been too lenient towards China with regards to the Coronavirus Pandemic. However, as former US ambassador to the United Nations Samantha Power has argued, such policies are self-defeating as a refusal to commit to multilateral engagement provides China with an opportunity to take a leading role on the international stage, conferring it the legitimacy to claim status as the world's greatest superpower.

In 2021, if the Biden presidency aims to follow a successful strategy with regards to China, it must look beyond the simple Containment vs. Engagement matrix that has defined US-China relations since rapprochement in 1972. To achieve this, eminent historian Niall Ferguson has argued that Biden should pursue a policy of détente: a term defined by Henry Kissinger as "[both deterrence and coexistence](#), both containment and an effort to relax tensions".

Détente entails a middle ground between containment and engagement. As such, in 2021 Biden will be expected to relax only some of the tensions with China. For example, Biden has promised that he will end the weaponization of the dollar and trade bullying that became a

paradigmatic feature of the foreign policy of the Trump administration. [The financial warfare](#) conducted by Trump such as the use of economic sanctions and exclusion from the US owned global financial infrastructure, such as the clearing house known as CHIPS and the cross-border messaging system known as SWIFT (which process nearly all cross-border financial transactions), had motivated states to begin trading in the Yuan rather than the dollar, prompting the former governor of the Bank of England Mark Carney to declare that the era of US financial hegemony is officially over. Biden's promise to end such practices will be greeted with open arms by the comity of states and will perhaps prevent China from acquiring a preponderant economic influence over the international system.

However, Biden has declared that he is not going to make any immediate moves to [dissolve the protectionist tariffs](#) that had been imposed against Chinese goods by Donald Trump. He claims that these tariffs provide the USA with some diplomatic leverage against China, providing America with the opportunity to push China to further reduce greenhouse gas emissions, particularly as Biden hopes to increase the USA's environmental commitments by re-entering the Paris Climate Accord within his first 100 days in office.

In 2021, perhaps the biggest issue between the USA and China will be over technology. Biden has been calling for the USA to retain supremacy over China on the technological front, particularly in the [fields of artificial intelligence](#) and quantum computing in which he aims to increase funding. Given China's backwardness in this regard, and the supremacy of the Taiwanese semiconductor company TSMC, China may be motivated to initiate an [attempted seizure of control](#) of the island which would not only bring Taiwan back under Beijing's jurisdiction, but will also provide China with a helping hand in its technological competition with the United States. Over the course of the next year Biden may therefore be pushed to enhance America's already preponderant

military capacity as a deterrence to any potential crisis in the Taiwan Strait.

When Biden announced his cabinet late last year, he proclaimed that [‘America is back’](#). After four years of protectionism and scepticism of multilateral institutions it could be argued that America’s place in the international system has suffered a relative decline compared to that of China. How Biden handles the relationship with China will therefore be an issue of fundamental importance in his first year in office.

Black Lives and Books

On the 6th of January 2021, a coup was staged at the United States Capitol in Washington DC. Extraordinary numbers of pro-Trump supporters, including groups of white supremacists such as the Proud Boys, stormed the building, where Joe Biden's recent electoral victory was being confirmed. In reaction to this violent attack on democracy, the US police force demonstrated an outstandingly weak response. At the time of writing, just 52 of the rioters, who have decimated parts of this centuries-old institution and violated the basic democratic rights of so many Americans, have been arrested.

Following the siege, social media has justifiably erupted, with voices from all over the world calling out the undisputable display of structural racism exhibited by the US police force. Despite the fact that, on the 19th of December 2020, [the US President promised a "big protest in D.C. on January 6th" in a tweet](#) that ended "Be there, will be wild!", it is clear that neither Trump nor his supporters were seen as a particular threat to national security. Yet, in this same city, in the very same spot, on 2nd of June 2020, when a peaceful protest against police brutality was held following the murder of George Floyd, the armed National Guard were deployed on the steps of the Lincoln Memorial. At this demonstration, protesters were met with tear gas, violence and countless arrests.

The assumed aggression that pre-emptively labelled the Black Lives Matter campaigners in the summer, compared with the denial that pro-Trump mutineers posed any kind of threat, is nothing but an example of stereotypical racial profiling. This is structural racism, and this is white privilege. As concisely put by Ibram X. Kendi, author of *How To Be an Anti-racist* (2019), [in a tweet that has since gone viral](#); "If these people were Black... well, we all know what would be happening right now to them".



Furthermore, had the majority of the pro-Trump and anti-democracy 'protesters' been people of colour or ethnic minorities, there would have been no hesitation in the media in rightfully naming them as terrorists.

As citizens of the United Kingdom, we are all too quick to remind ourselves that these events have happened across the pond. We confidently reassure ourselves that something like the state-sanctioned demonstration of white privilege displayed on the 6th of January, or the racialised police brutality that caused George Floyd's death would never happen here. But it has. So many times.

Unlike the recent events in America, incidents resembling Floyd's appalling murder in Britain did not spark global political movements geared towards ending racism. They barely even made the national news.

An example of such that was brought to my attention recently – though not in international news headlines – in the book *Brit(ish): On Race, Identity and Belonging*, by journalist Afua Hirsch (2018). In her sixth chapter, ‘Class’, Hirsch recounts the story of Mzee Mohammed-Daley, a black teenager who died in police custody in Liverpool in 2016. Mzee was 18 years old, and had suffered with ASD (Autism Spectrum Disorder) and ADHD throughout his life. Though he usually handled his conditions well, deteriorations in his mental state were commonly triggered by large groups of people, such as those found in crowded shopping centres. On the 13th of July 2016, Mzee ended up in the Liverpool One shopping centre. In what [the Liverpool Echo described as a “psychotic episode”](#), the teen ran around the centre in considerable distress. Following a claim that Mzee had been threatening people with a 12-inch blade, the building’s security were called and quickly apprehended the boy. The security guards promptly called the police, including in the call the unconfirmed account from a member of the public that described the Mzee as a “big black male with dreads running around barefoot with a knife” (Hirsch p240).

Upon hearing that there was a teenager who had already been apprehended and detained by security officials, who was no longer armed and, as it transpired, was being held on the ground in handcuffs, the Liverpool Police Force responded inexplicably. In addition to the eight security guards already there, the forces thought it necessary to send to the scene “18 police officers, a police dog and a helicopter... All for one lad who was already handcuffed and on the ground.”

At some point while Mzee was being held under the weight of the officers swarming him, it became apparent that [he was experiencing some sort of “medical episode”](#). An ambulance was eventually called, and, an hour and a half after the incident, Mzee Mohammed-Daley was pronounced dead. In 2019, a closed inquest was made into Mzee’s death, confirming that his death was not a result of his holding in police

custody, but was the result of conspicuously vague “natural causes”.

Had it not been for Hirsch picking up on Mzee’s story and writing it up for *The Guardian* and then using it in her book, anyone who was not an avid reader of the *Liverpool Echo* would not have known it.

Why is it that neither this, nor any of the countless other stories of police brutality against people of ethnic minorities in the UK, are never the stories that make the front-page news?

In the summer of 2020, following the global keening for George Floyd, some such stories of deaths of people of colour at the hands of white police officers, were finally told in the mainstream media. Not only this, but books like *Brit(ish)* that detail these stories and endeavour to explain race relations in the UK gained huge popularity too. In 2017, journalist Reni Eddo-Lodge published her book *Why I’m no longer talking to white people about race*. In June 2020 [Eddo-Lodge became the first black British author to take the overall No 1 spot in the UK’s official book charts with this title](#). In response to her book’s newfound success, Eddo-Lodge said in an interview with *The Guardian* that she “[couldn’t] help but be dismayed by [...] the tragic circumstances in which this achievement came about.”. In the same breath, she incredulously exclaims: “The fact that it’s 2020 and I’m the first [black author to have no.1 spot in UK bestsellers list]”. It seems to be the case that Eddo-Lodge’s success had not flourished to this extent in the past not because of a lack of need for her detailed insight into British racial discrimination, but because of the absence of a willing readership.

Something that both these inspiring women, Hirsch and Eddo-Lodge, cover in their books (*Brit(ish)* and *Why I’m no longer talking to white people about race* respectively) is racial “colour-blindness” in the UK. This is the idea that in Britain today, we, collectively, choose to ignore the existence of racism. While the claim that “I simply don’t see skin colour” seems, on the

surface, to be rather astute, it is in fact a collective denial and dismissal of the very real structural racism that people of colour and ethnic minorities in Britain experience today, and of all of the history that crafted it.

In her book, Eddo-Lodge deems 'Colour-blindness' to be "a childish, stunted analysis of racism" that "starts and ends at "discriminating against a person because of the colour of their skin is bad", without any accounting for the ways in which structural power manifests in these exchanges." She continues:

"With an analysis so immature, this definition of racism is often used to silence people of colour attempting to articulate the racism we face. When people of colour point this out, they're accused of being racist against white people, and the accountability avoidance continues. Colour-blindness does not accept the legitimacy of structural racism or a history of white racial dominance."

This legitimacy of structural racism is something that Hirsch examines throughout her book too, in a careful examination of our country's past, so entrenched in colonialism. It is thus established by both authors that our British cultural identity is inextricably linked with the fact that our country was built on racial oppression. Hence, Eddo-Lodge's reasons for 'no longer talking to white people about race' are justified by her claim that the vast majority of white people in the UK refuse to accept the existence of structural racism and its symptoms, and, in doing so, display a total emotional disconnect when a person of colour articulates their experience. This emotional disconnect is the conclusion of living a life oblivious to the fact that their skin colour is the 'norm' and all others deviate from it. As Afua Hirsch so aptly puts it; "discussing race in Britain is still a radical act". It is because of this that the stories of Mzee Mohammed-Daley or any of the [other Black people that make up 8% of deaths in police custody in the UK](#), despite representing just 3% of the British population,

have not been given the recognition, nor the justice, that they deserve.

After the heart-breaking news of George Floyd's killing was splashed across international news headlines, the world's social media collectively grieved. Swathes of social media users supported Floyd's family by donating to their GoFundMe page, and showed their solidarity with Black Lives Matter by sharing informative posts on Instagram or tweeting messages of condolence – along with a million black screens posted as gestures of support. While it is certainly promising to have seen so many British people supporting the movement, there was a definite subtext to almost all the posts, that this was an *American* problem. The names of George Floyd, Breonna Taylor, and Eric Garner were repeated by the British on social media, with the rightful shaming of the white American police officers that killed them. However, for the most part, there lacked any recognition of the painfully ironic ignorance that came hand-in-hand with the collective disgust at the American police force.

When I started writing, this article was going to be a glowing review of certain books and documents I encountered in 2020 that expertly explained the complexities and influence of structural racism in Britain. Following the events of the past few days in Washington DC, my aim has changed. Instead, this article is now a plea to anyone who reads it. It is no longer simply an option to educate yourself about structural racism, all the while congratulating yourself for being particularly 'woke'. It is a necessity.

In the UK, we remain so deeply drowning in denial about the intrinsically racist foundations upon which our whole society is based. While this is our reality, no amount of sharing posts of solidarity with US citizens is going to make any difference to the struggles faced by people of colour and ethnic minorities in the UK every single day.



Twitterers of Independence: Scotland, COVID-19 and IndyRef2

This New Year's in Scotland was different to most: Jackie Bird was a missed figure on the screens, 'Only an Excuse' aired its final showing, but strangest of all was the fireworks: not in Edinburgh, but Stirling. An attempt to limit gatherings in the capital. The typical party to bring in the new year was a melancholy occasion.

And this was not simply due to COVID-19; for, the striking of the bells ultimately signalled the end of UK membership of the EU. Whilst [Farage celebrated with a dram](#), Nicola Sturgeon instead let out yet another war-cry of defiance that has marked her recent years as First Minister. Perhaps slightly more modern than the stereotypes of William Wallace, but ultimately just as rebellious, [her tweet left little to interpret](#).

Scotland has been kicking and dragging its feet throughout the tortured process – a feeling of unfairness in the process was the consensus amongst SNP supporters: [the nation voted 62:38 in favour of remaining, but the country voted 48:52 to leave](#). But when [the nation voted to remain part of the union just two years before Brexit](#), it unwittingly conceded EU membership to the rest of the UK.

And ever since that vote, the SNP has gathered in momentum in its seeking of another, that will likely reach a climax in May's crucial Holyrood elections. The party's slogans will be clear – independence and a reversal of England's rule. Whilst perhaps hyperbolic, the feeling of Braveheart has been a cornerstone to SNP policy for years, but it has never been as well heard as now.

Of course, many fail to even consider discussions of independence, due to the [undying stance of Johnson at the helm of government](#). But COVID-19 has allowed it to creep into public discussion once more.

Within COVID-19 regulations there has been an undercurrent of Sturgeon flexing her devolved powers, labelled a ['disaster north of the border' by the prime minister](#). Political commentators

have been quick to note the slight deviations in policy within Scotland compared to England. Though typically aligned, it often seems a race between national party announcements. The devolution of powers has opened a can of saltire-face-painted worms.

Indeed, Johnson has been widely panned for nonchalance by the opposition, [with the country bottom of the league of COVID-19 deaths as a percentage of the population against EU states](#). Contrastingly, Sturgeon has been juxtaposed to Westminster and praised for active and steady policy. [Government policy has disappointed its devolved nations](#) during the pandemic and has only further separated Scottish policy from England's.

Johnson's fleeting visit up north in July, the first since his re-election the year prior, has been the best indicator of the discontent found in the devolved nation. Panned by political commentators as a failed attempt to quell nationalist talks, it only added fuel to the fire, as [polls suggested that the nation was now in favour of independence](#). Comparable to Edward II's ill-fated excursion three centuries before, Johnson returned to England with his tail firmly between his legs.

Praise for Sturgeon's use of devolved powers may be used as a smokescreen for SNP-planned international relations, but an impression of successful autonomous Scottish policy when compared to the UK as a whole will further pry open the independence debate. Ultimately, it will be a question of whether this praise will materialise into flocked support for the SNP, or simply just a criticism of Westminster policy. If the former, we could be heading to a serious push for IndyRef2, and ultimately a clash between Holyrood and Westminster. This may loosen the wheels of a ['Global Britain'](#) before it has even begun.

However, under the cacophony of cries for independence, the SNP remains dogged by controversy and lacking substance to fully push for a vote.

It must be noted the contentious year the SNP has faced both behind the scenes and publicly. [Former leader Alex Salmond's retention in the public eye](#) during his trial for sexual misconduct has forced his party to distance themselves. Derek McKay, a touted future leader for the SNP, was forced to resign over [illicit allegations of texting a minor](#). And, in recent weeks, Sturgeon has come under fire herself, for [breaking COVID-19 rules](#) that she has been widely praised for implementing.

Idyllic pro-independence discussions of the likely success of a sovereign Scottish economy, that was central to the 2014 SNP campaign, have been empirically disproven in recent years. A flatlining North-sea oil industry and an unrecovered finance sector has meant the devolved power remains a [net dependent of UK fiscal policy rather than a net contributor](#). [Low barrel prices](#) have scuppered promises of oil wealth, [with Scotland's fiscal deficit widening to 8.6%, three times that of the rest of the UK](#). Whilst the UK government has stopped economic freefall with the [furlough scheme that has helped save around 900,000 jobs in Scotland](#), despite being viewed as unwelcome overhanging public policy.

The rest of Scotland remains underfunded as the central belt grows, with [clear geographical social inequality](#). This is only expected to widen further this year. Eligibility rules are expected to reduce the European working population by 85% in Scotland, further compounding present decreases in the Highland population. Brexit induced immigration curbs are causing a ['demographic timebomb'](#) in places such as the Highlands disproportionately to the central belt, with Forbes reporting the area could lose a quarter of its population by 2046 as a result of the new legislation.

Furthermore, a difficult year of predicted grades has compounded the underperformance of Scottish schools in recent years, with the [nation sliding to 19th in OECD rankings](#). Though the SNP has been praised for its COVID-19 regulations,

the party can be criticised for a lack of policy to improve [equality](#) and education over its fourteen-year-long tenure in Holyrood.

And finally, though Sturgeon is building on a campaign of unity with the EU, this is not a certainty. Likely [Spanish vetoing](#) of a membership request is being left unsaid in the preliminaries of IndyRef2.

If somehow overcome, the process will likely take years, with strict public policy guidelines required to re-enter. [Consider Turkey](#), who have been buffered for decades. Risky consequences of disassociation with the UK treasury and a substituted uncontrolled currency in the Euro will cause worry for markets, which will not be alleviated by a likely hard border with England. Though Brexit has increased uncertainty in UK markets, re-joining will not lead to a reversal.

Opposition parties have criticised Sturgeon of [‘reopening the constitution debate’ to ‘divide the people of Scotland’](#) during a period of crisis. But with the pandemic expected to reach a long-awaited end, there is a clear path to push for independence in 2021. Sturgeon will be relishing the chance to materialise praise into results. With successful Holyrood elections in May, the SNP will believe it a mandate to push for another vote as indicated by the [recently proposed legislation](#). And as indicated by present polling, the [SNP is expected to ride out a difficult year and questionable public policy to sweep May’s elections](#). For the prime minister, it will be another unwanted headache to his tenure, if the cross-border relations go sour.



How Sharp Are the Government's Fiscal Tools?

Picture the scene. Millions of coronavirus vaccinations have been administered. The transmission of the coronavirus has died down. Lockdown restrictions are being lifted. Rishi Sunak is sitting in the U.K. Treasury contemplating which fiscal policies can be administered now that the spread of the coronavirus has been kept under control. Lifting restrictions alone will not be enough to alleviate the deep double-dip recession the UK finds itself in, which included a 20.4% fall in the second quarter of 2020 (the largest quarterly fall in recorded British history). But how effective can fiscal policy be in dragging us from this plight?

Fiscal policy is the spending and taxing powers that a government can administer in order to stabilise an economy. Everything from adjusting income taxes and VAT, to changes in benefits, the employment of teachers and the military,

and building infrastructure such as roads or a nationwide 4G network are part of the Treasury's fiscal toolkit. By increasing government spending through borrowing rather than raising taxes, the government increases output in the economy, which leads to higher disposable incomes for households which spend a proportion of their additional disposable income on consumption, thus further growing the economy in the short run. By cutting taxes, thus increasing households real disposable income again, households consume more, therefore raising incomes of other households by stimulating more demand for goods and services and further accelerating the growth of the economy. Predicating fiscal policy is this multiplier effect, in which an injection into the economy by the government – either a rise in spending or reduction in taxes – can cause a more than one to one increase in the size of the economy compared to the injection.

But in the recovery from the Financial Crisis in 2008, economic growth has been sluggish across developed economies in Europe, the Americas and Asia. Research by economist Valerie Ramey found [that fiscal multipliers in the aftermath of the financial crisis were less than unity](#), regardless of whether the country attempted large fiscal stimulus such as the [\\$831](#)

[billion American Recovery and Reinvestment act of 2009](#), or attempted fiscal consolidation and austerity measures as occurred in Britain and much of Europe. By borrowing from financial markets and reducing the supply of financeable capital, fiscal expansion raises market interest rates and reduces investment. This crowding out of investment counteracts any rise in government spending and subsequent increases in consumer spending. Given that most multipliers after the financial crisis were less than one, with most estimates of the multipliers for [Europe](#) or the American Recovery and Relief Act ([ARRA](#)) being approximately 0.5, fiscal policy struggled to effectively raise growth across the developed world and promptly return output to pre-crisis levels.

However, despite the relatively consistent evidence from across the world after the financial crisis, fiscal multipliers haven't always been this low. Unlike the future recovery of the recession caused by the coronavirus pandemic, [fiscal expansion typically has a more noted effect when carried out during a boom with low unemployment](#). During a recession fiscal expansion signals to households that the economy is in a recession who then carry out cautionary saving but when carried out in a boom, expansionary fiscal policy leads to more confidence and therefore larger fiscal multipliers. Research by Robert Gordon and Robert Krenn find that at the end of the Great Depression, just before the United States' entry to World War 2, [fiscal multipliers were as large as 1.8](#). Furthermore, fiscal multipliers may have risen to as high as [2.5 during the late 1990s and early 2000s in Japan](#). Due to these much larger multipliers, fiscal policy was successfully able to stabilise these economies.

In the near term, before the threat of coronavirus has subsided, Sunak is likely to extend policies such as the [furlough scheme and further grants to struggling businesses](#) in order to keep the economy afloat and wade off financial calamity. Yet Sunak's mind will soon turn squarely to fiscal policy to help the economic recovery.

But why were fiscal multipliers larger in certain circumstances and how can Sunak most effectively use fiscal policy? There is an array of economic factors which determine the size of the multiplier. Differences in monetary policy can have a significant impact on the size of the multiplier. When monetary policy is near the effective lower bound (when Central Banks keep their interest rates close to or just below zero and have little ability to reduce interest rates further), or is reduced concurrently with expansionary fiscal policy (as was the case in Japan in the late 90s and early 2000s), [fiscal multipliers are larger and often above 1](#). When monetary policy is at the effective lower bound or is used to accommodate fiscal expansion, expected inflation rises as businesses and households no longer expect the central bank to be as vigorous in controlling inflation. When inflation is expected to rise, real interest rates fall which stimulates more investment and helps magnify the impact of the government's injection into the economy. Given that the current Bank of England base rate sits at 0.1%, close to the effective lower bound, once restrictions are lifted fiscal policies may do quite well in raising consumer demand back to the levels it was at before the Coronavirus pandemic.

Different fiscal policies also affect the size of a multiplier. General transfer payments indiscriminately given out across the population [typically have very low associated fiscal multipliers](#). As most of the recipients, who weren't financially constrained, smooth out their spending over long periods of time, any additional stimulation of the economy is negated. [Infrastructure bills are also associated with restricted multiplier effects in the short run](#). As allocating resources and organising infrastructure projects is often incredibly slow, the initial injection into the economy of employing workers and buying raw materials is seldom able to generate a significant multiplier effect or even initial thrust to an economy whereas its longer-term impact on the economy will be much greater. Policies similar to the "Eat

Out to Help Out Scheme”, which increase real disposable household income and quickly raise consumption across the entire country, will again be necessary to propel the recovery from the recession we find ourselves in.

Tax cuts can have different effects on a multiplier depending on what type of a cut they are. [When interest rates are at the effective lower bound, tax cuts on labour \(e.g. income taxes\) and taxes on capital will often cause a deflationary effect](#) as monetary policy can't be loosened to raise inflation. This raises the real interest rate and reduces investment which undermines the expansionary aims of fiscal policy giving the policy a negative or very low multiplier. Policies such as a temporary VAT cut or following through with Sunak's plan [to continue the stamp duty holiday](#) may have a [larger multiplier than the alternative of spending increases, as shown in many empirical time-series studies \(even if most models suggest tax cuts will have a similarly sized multiplier to government spending at approximately 0.6 to 0.9\)](#).

In the longer term, fiscal expansion will somehow have to be funded which will not only impact the growth of the economy when implemented but can also influence the economy in the short term due to households and firms making decisions based on their expectations of future changes to the economy. [When fiscal expansion is funded by future rises in taxation](#) (which reduce households' disposable income), the marginal consumption is suppressed as households and firms engage in cautionary saving to counteract the future rises in taxation. This limits the size of a fiscal multiplier and limits the efficacy of fiscal policy in both the short and long run. Furthermore, if fiscal expansion is expected to be funded by debt in the medium run, the fiscal multiplier is likely to be lower due to rising interest rates on government bonds which accrue due to government debt being harder to finance. This leaves only spending cuts as a feasible method of financing fiscal policy. However, any plan to address the public finances by spending cuts

will lack much credibility in a political environment in which governments try to avoid cutting spending and will cause contractions in the economy in the future. Irrespective of whether Rishi Sunak decides to raise taxes or cut spending in the future, both of these policies will dampen any recovery in the medium term. But fixing the roof while the sun shines and repairing the public finances will be a necessary bullet to bite to keep the UK economy on track.

Once the Coronavirus pandemic is in the past, the Chancellor will face the arduous task of deciding the necessary fiscal policies to dovetail with the re-opening of the economy and the relaxation of restrictions in order to stimulate a much needed economic recovery. Even if fiscal multipliers are not that large and fiscal policy is not a panacea, further increasing borrowing alongside the continuation of loose monetary policy will be necessary to spur any economic recovery out of this substantial slump we find ourselves in. But with the UK recording its largest deficit in recorded history, Sunak will eventually face the onerous task of having to return the public finances to order. Whether Sunak raises taxes or cuts spending, these contractionary policies will be a painful end to an unenviable period in the U.K.'s economic history.



2021: A “Fantastic Year” for Britain?

“This is going to be a fantastic year for Britain” – these were the words chosen by a characteristically optimistic and unwisely bullish Boris Johnson at the beginning of the decade. Now a frequent source of amusement on social media, the famous prediction shone a light on just how quickly events can turn sour. Aptly, this lesson on the unpredictability of events in the socio-economic-political sphere is best depicted by the late British prime minister Harold Macmillan in his well-known mantra: “events, dear boy, events”. Indeed, for as long as the beauty of hindsight remains unreachable, unforeseen events will test the resolve of leaders and society alike. For all the uncertainties, known and unknown, the British government has several significant certainties, intertwined with uncertainty, on its radar in 2021. From the grave health-economic emergency of coronavirus to momentous constitutional affairs to tight-rope foreign policy, this will be a defining year for Britain – and its place in the world. With the aim of

regaining his footing at home and abroad, Prime Minister Johnson will need all the luck he can muster together in order to prevent history repeating itself this year.

A prognostication of 2021 is merely a conjecture without thorough consideration of the preceding year. For a year intended to be the U.K.’s opportunity to shine on the global stage, after entering the departure lounge from the E.U., 2020 became the antithesis of those very ambitions. A raging pandemic took hold of the country, causing unprecedented damage to the economy and to the health of its agents. Even though the battle against Covid-19 appeared to be won in the summer, the later months of the year were marked by an emergence of a more transmissible strain of coronavirus – setting the scene for an arduous 2021. Such mutations of the virus in the U.K. and further afield present an even more complex dimension to the crisis facing Britain, as the virus redefines the parameters of the national fight. In response, all the U.K. administrations were forced into reintroducing restrictions on social life, much to the regret of the Chancellor as the British economy has already suffered the largest fall in output for 300 years, raising fears of an entrenched economic depression with implications for long-term unemployment and

the very fabric of the economy. The bleak midwinter has inevitably confined the governments' room for manoeuvre on the road to recovery, but all is not lost. Society has the upper hand: vaccines.

As of writing, the U.K. government has access to three life-saving vaccines thanks to the extraordinary effort of scientists around the globe. With this profound pharmaceutical power, the race against the virus has begun. That is, the race to inoculate the population – especially those most vulnerable – faster than the virus can infect. Essentially, this is a race against time. Until the population reaches a sufficient level of immunity, the economy will remain in paralysis insofar as lockdowns are the government's only strategy to curb the spread of the disease. Hence, Johnson's administration is de facto entering an implicit contract with the British people: in return for their patience and willingness to obey the lockdown measures, his administration must succeed in its unparalleled mission to vaccinate at scale and speed. One cannot stress enough the extent to which the economic recovery from this crisis is entirely predicated on the efficacy of the U.K. government's oversight of the NHS vaccination programme. Treasury economists are fully aware that the longer lockdown restrictions are in place, the deeper the cracks in the economy become. Although, in the interim, the Treasury is focussed on keeping the economy afloat, soon the attention of policymakers will turn to the looming fiscal, monetary and structural post-Covid economic realities.

Assuming the U.K. succeeds in beginning to transition its economy to a post-Covid era towards the end of this year, the Chancellor will undoubtedly face pressure from his backbenchers to address the country's dire fiscal position in the medium-run. Having already committed to “protecting public finances”, Sunak faces the politically difficult choice of either hiking up taxes or reducing government spending, since borrowing in the medium to long-term is expected to become more expensive as interest rates rise. Yet, such

contractionary fiscal policies, without the conventional assistance of monetary policy which is already historically loose, does not bode well for an economy seeking to regain its footing. However, the IMF currently recommends advanced economies place their debt concerns on the back burner by ramping up public investment for the time being. Ultimately, this will become a political calculation concerning the trade-off between a recovery from a year of lockdowns and just how much debt Sunak can stomach. In any case, the decisions made by the Chancellor this year will have momentous ramifications for the country's fiscal position for years to come. Of course, Sunak is not alone in this dilemma as western economies face the chilling prospect of another decade of sluggish growth and the ensuing socio-economic-political consequences.

Be in no doubt, the British economy is not plagued for years to come – it will bounce back. However, the extent and composition of a recovery is where the story lies. Part of the realisation hitting governments around the world, is that a recovery cannot merely be confined to returning output back to pre-Covid levels because economies are already on the road to a new post-Covid normal. Rather, governments must recognise the accelerated forthcoming trends across western economies. Whether it be the need for structural upskilling in response to the decline of bustling high streets or the rise in homeworking, it is crucial that policy is aimed to accommodate such evolutionary events as opposed to circumventing acknowledgement of their certain existence. ‘Remoteness’ is the future. In fact, it is already here. The change has already happened. Hence, the question is not when will change to the way British society lives and works arrive but, whether, on a macro level, the fabric of the economy will revert to its pre-Covid patterns. Will society merely observe cosmetic changes or will the internal threads of the economy regenerate? ‘Animal spirits’, as Keynes would contend, will determine the answer.

2021 could mark the beginning of the reversion (at least on a part-time basis) from the office to the home as many organisations have come to the verdict that homeworking may not be so disastrous for productivity after all. Following such fundamental deviations from modern working norms, there will likely be mass internal relocation away from cities. If one can work from home, then why continue to live somewhere predicated on proximity to the workplace? Once forgotten towns and villages, with lower living costs supporting widely considered healthier lifestyles, will be forgotten no more. In essence, this is the opportunity for the government to foster a country-wide rebalancing of wealth to support its 'levelling-up' agenda. If the government's fiscal response fails to accommodate these trends by investing in an economy that 'was' rather than 'could be', it will miss perhaps the greatest opportunity – one could even call it a silver lining – of the pandemic.

This year will be a true test of not only the British economy's resilience to a year of hibernation and structural changes, but of historic changes to the trading relationship with the U.K.'s closest trading partner. Dubbed the 'Christmas Eve Agreement', the U.K.-E.U. trade and co-operation agreement finally ends the uncertainty surrounding the U.K.'s withdrawal from the E.U. Given the exhausting wrangling and dispiriting deadlock associated with the trade talks, the avoidance of a disastrous no-deal and achievement of a tariff-free agreement will have united both sides with a collective sigh of relief. For the Prime Minister, the ratification of the treaty was not just any political win but a validation that he had – arguably, against significant odds – delivered on his promise to 'get Brexit done'. Of course, there is more to it than Johnson would contend. On the surface, it appears Brexit is signed, sealed and delivered. But if one reads the fine print, it becomes clear that the issue of Brexit is far from being put to bed.

Just like with the withdrawal agreement, legal 'fudge' was deployed to get the deal over the

line. For many of the most contentious issues, the negotiators essentially kept the door open to further talks. That is, if there is significant divergence which has a material impact on trade, then both sides may be subjected to appropriate rebalancing measures. In practice, this means countless committees and forms of independent arbitration – in other words, negotiations without an end. There is also the immediate concern of the obvious shortcomings of the deal: the increase in trade frictions. Not to mention the unresolved issues regarding the financial sector, such frictions are expected to cause border delays as well as increasing freight and administration costs – only time will tell the full economic impact of such arrangements.

Perhaps most troubling to the Prime Minister in his self-appointed capacity as 'Minister for the Union' is the consequences of his Brexit project for the future of the union. Since the Prime Minister didn't peruse any real attempts to reach an agreement that recognises the disparity between the Scottish vote to remain and the U.K.'s vote to leave the E.U., his 'hard Brexit' has fed one of the central independence arguments that Scotland's democratic views have been overruled. Add to the mix the renewed calls for self-governance because of the common perception that Sturgeon has handled the pandemic relatively better than Johnson. The combined effect of these two narratives is a growing crevasse between the Scottish people and Johnson's agenda, translating into rising support in the opinion polls for Scottish independence.

Growing sentiment towards separation is at the crux of the Scottish Parliament election in May as Sturgeon is hopeful of winning an electoral mandate to demand a second referendum. To which the answer from Number 10 will almost certainly be a refusal to grant a Section 30 order thus, withholding legal authority to such a vote. Without delving into a debate over whether or not Johnson 'should' grant permission to hold another referendum, it is not clear what Sturgeon's plan B is if her demand is refused.

Pressure will undoubtedly mount on the Prime Minister and support for independence may rise, but such legal waters are uncharted. Given that in the Scottish government's paper 'Scotland's right to choose' there is a commitment to an agreed legal process which will be accepted as legitimate by Scotland, the rest of the U.K. and the international community, without a Section 30 order Sturgeon's next steps are one of Johnson's greatest known unknowns of 2021. Such a constitutional clash has been brewing for some time – 2021 will be the year it rises to the fore again.

Growing momentum for the break-up of the union could not come at a worse time for the Prime Minister as he prepares to relaunch his vision for a 'Global Britain'. For Johnson, 2021 is all about burnishing his tarnished international reputation. So far, his premiership has been marred by his poor management of the coronavirus crisis and half a decade of Britain looking inwards rather than outwards. But, 2021 presents an opportunity for Britain to show leadership on the world stage as the U.K. hosts both the G7 and the UN COP26 climate change summit in Glasgow. But hosting will not come without its challenges. By far and away the greatest test for the U.K. – and the international community – is whether nations will pull their sovereignty together in a world of rising nationalist instincts. Will sovereign nations be willing to be policed by an independent enforcement mechanism of climate goals? So far, the trend has been a retreat by nations into their shells. Yet, to address international problems, such as the coronavirus pandemic or climate change, this lack of co-operation undermines the prospect of any substantial progress.

With the backdrop of China's rising power and influence, 2021 will challenge western democracies to remain the dominant success story of the 21st Century. Considering that the West hasn't fared well against the Coronavirus pandemic, with little hope of overcoming the trend of sluggish growth, increasingly weakened

democratic systems of government and a disruptive nationalistic sentiment, the stakes could not be higher. By all accounts, 2021 will be a year of immense challenges and promising opportunities. It will be a year that puts western democracies to the test – can they recover and thrive post-Covid? Can the UK prosper in a post-Covid, post-Brexit world? While the jury is still out, the government has work to do.



The Beginning of the End?

Demographic challenges in the wake of COVID-19

The COVID-19 pandemic has demonstrated that the biggest challenge facing countries across the world in the 2020s will be demographic transformation. Differences in national death tolls has highlighted a new dividing line between nations. Instead of splitting the world into Global North and Global South, or West and East, or even between rich and poor, this century will see economic divergence between ‘old’ and ‘young’ societies. This dichotomy illustrates the sharpening difference between states with aging, falling populations and those with younger, growing populations and the corresponding social, economic, and ultimately political, challenges that this entails. [In their 2020 book *The Great Demographic Reversal*](#) former LSE professor Charles Goodhart and

Morgan Stanley economist Manoj Pradhan argue that the importance of global demographic changes is too often ignored by ‘mainstream’ macroeconomics and consider what may happen if future generations decide to ‘not to be born’. In other words, what happens when people start having too few children to replenish the population?

From a global perspective, [forecasts indicate that by this century’s end, the world population will start to fall for the first time](#) since the onset of ‘modern’ industrial driven economic growth in the late-eighteenth century. It is worth contemplating the general consequences of this phenomenon, before diving down into the international discrepancies. Some may welcome falling populations, given the potential environmental benefits from a decrease in demand for ‘natural capital’ – air, agricultural land, and water. Indeed, even before demographic effects kick in, [the most destructive effects of climate change, arising from global warming over two degrees centigrade of pre-industrial levels, could also induce population decline](#), as famines, droughts and rising seas levels make some regions of the world uninhabitable. However, the spread of middle-class lifestyles from Europe and North America to East Asia and Latin America, with its

combination of low-birth rates and higher life expectancy, still presents an equally severe challenge in itself. If the global population falls then will humanity enter a neo-Malthusian trap – the end of economic growth and development as we know it – as decreasing numbers of workers struggle to provide social welfare to ever expanding elderly populations? This would suggest an end to the reinforcing cycle of ever-increasing wealth and health, albeit unequally distributed internationally, that is now taken for granted by many.

Bringing a little economic theory into the equation can help uncover more. Italian-American economist [Franco Modigliani's life cycle hypothesis](#) explains spending and saving decisions over an individual's lifetime. The young, asset-poor, but with spending needs, borrow more, and then save in middle-age when individual income is highest, and the elderly spend. An efficient economy thus recycles wealth between generations. When incomes grow such that each generation is better off than their parents (as was generally the case in Western Europe and North America in the second half of the twentieth century) and populations grow, there will be more savers than spenders and net saving will be positive. Moreover, with rising incomes, aggregate saving by the young/middle-aged will eclipse aggregate spending by retirees, meaning higher economic growth causes a higher saving rate. This creates a savings 'glut' and the [correspondingly \(record\) low interest rates that have occurred in the US, UK, EU and Japan in recent decades](#). Compounded with the large increases in the world's labour force, thanks to the integration of China and Eastern Europe into global markets and the entry of more women into the workplace, there have been strong deflationary forces (as a positive labour supply shock reduces the bargaining power of labour). Consequently, real interest rates have also been low in the three decades since the Cold War ended, [continuing their historical trend](#).

However, what happens when there is a fall in young people and increase in pensioners? This phenomenon is occurring in many countries. [In Germany, a reduction in immigration due to the pandemic meant that the population fell](#) by 40,000 in 2020. The impact of the one child policy has also seen [new births fall in China since 2017](#). Despite [predictions elsewhere in this publication that COVID-19 could instigate a lockdown induced 'baby boom'](#), this would go against the grain of current demographic fundamentals. Charles Goodhart and Manoj Pradhan offer some striking suggestions in *The Great Demographic Reversal*. Without major advances in productivity then growth in output will slow, and the sort of growth that Europe has seen in the decade following the financial crisis in 2008 will become normal. The worsening in the ratio between workers and dependents (children and pensioners) will induce inflationary pressures on prices (as there will be more people who consume but do not produce) and wages (as fewer workers have great bargaining power).

These conclusions are controversial and challenge much mainstream macroeconomic thought. Predicting an economic future that so significantly differs from the status quo is bold and opens up the book to detailed scrutiny. For example, technological change may open a route out of anaemic growth which would also reduce inflationary pressures as they bring down prices of common consumables (and therefore also nominal wages). Moreover, increases in retirement ages, as has already been occurring in many advanced economies, and the potential addition of millions of women to the workplaces of Sub-Saharan Africa and South Asia, will boost labour supply to offset increases in worker bargaining power. However, the former is fraught with political risk and the latter will also feed into birth rate decline, as increasing women's education and employment are two of the strongest forces collapsing fertility.

Even if the predictions of Goodhart and Pradhan do not come to pass globally, it is necessary to

examine the medium-run challenges that confront the post-pandemic world and brings us back to the divide between 'old' and 'young' worlds. It is in Europe and North America that some of the [highest death tolls from COVID-19 have been recorded](#). Given this disease most severely affects those with comorbidities, and mortality increases sharply in the over-70s, this is not surprising. It is in the prosperous West that there are large numbers of vulnerable and elderly people who have made of the majority of pandemic death tolls. [The widespread policy failure across most of the Europe to protect care home residents is especially striking](#). The risk to care homes became obvious from two events at the start of the pandemic. First, China released updated death toll figures from [Wuhan in February which made clear the sharp uptick in mortality in the over-80s](#). Second, an outbreak onboard the *Diamond Princess* [cruise ship demonstrated the near impossibility of proper infectious disease control of this pathogen in closed institutions](#). Closed institutions inhabited by the most vulnerable, namely care homes, have borne the brunt of this pandemic, [sometimes making up over 50% of deaths in the first wave in Europe](#).

This takes us into the domain of politics, where the challenges posed by demography will be dealt with. The financing of welfare states, particularly health and social care, is a pressing problem. Care for the elderly is extremely labour intensive and it is unknown whether [the kind of capital – sentient AI – that is required to look after a person with dignity and empathy](#) will be developed (and would also meet regulatory approval). Advanced economies with shrinking youth populations will be increasingly reliant on immigration to provide care for their elderly. Advances in medicine has been able to make great strides in the treatment of traditional killers – cancer and heart disease – but not so much in the prevention of dementia, which will be an ever-increasing health problem affecting aging societies. As Goodhart and Pradhan point out, dementia does not acutely shorten lifespans, but rather cruelly degrades

quality of life, as anyone who has seen a loved one be taken by this disease. Governments will need to prioritise [research and development into dementia following COVID-19, such as gene therapy](#).

The fiscal challenges posed by the pandemic mean many countries lack the headroom required to meet the challenges posed by aging societies. Politically, it is difficult for governments to raise state retirement ages or take the axe to pensions or other benefits given to older people. However, maintaining existing levels of welfare for the elderly means levying higher taxes on workers, or encouraging higher levels of private saving, so the individual bears responsibility for personal consumption needs in old age. The latter is often impractical as young workers lack the discipline to forgo current spending for future (personal) welfare, so governments often choose the former. However, this can breed inter-generational conflicts, which is becoming increasingly evident in electoral results in certain democracies. Younger voters are resentful at paying for (in their estimation) freebies given to their grandparents, who often wealthy, at least in asset terms. Age is surpassing social class as the key discriminant in determining electoral behaviour in many advanced democracies, particularly when it is combined with the lightning rod of identity politics. The 2016 Brexit referendum in the UK is perhaps the most consequential example of this, where older voters backed Leave in significant numbers, and the young tended towards Remain.

An important political concern since the 2008 financial crisis, has been the perception, at least, of rising inequality, in terms of both income and wealth across advanced economies. Taking the former, while the returns to capital, especially human capital, has been much stronger than the return to real wages. Therefore, the owners of capital have benefited, and the non-college educated lower middle class has lost out. While these income-based inequality concerns go some way in explaining support for Brexit and Donald Trump among blue-collar workers in the

UK and US, they do not necessarily explain why voting behaviour is increasingly differentiated by age. The inequalities in wealth, primarily property ownership, between older and younger people has become a key demographic problem. [As people stay in education longer \(due to the higher returns on human capital\) and die later, then wealth accumulation is delayed.](#) However, eventually this wealth will 'tickle down' to the next generation, an important process which is not considered by Modigliani's life cycle hypothesis. By this decade's end, [American millennials will be five times as wealthy as they are today, as they inherit over \\$68 trillion in assets from their parents and grandparents.](#) Therefore, wealth inequality needs to be considered through time, given how it is a function of age.

Although a major trend at the global level, not every region will experience an aging of society in this century. Sub-Saharan Africa will be the only major region to have a significantly younger population, which also requires attention. Over the next 30 years the region will become the [world's most populous, accounting for more than half of global population growth.](#) This breeds a new sort of demographic problem: how to provide sufficient education and jobs for young people, [since Africa's dependency ratio is above 1, due to the large numbers of children.](#) However, as these children become workers this ratio will fall, which puts Africa in a stronger position. Political and economic reforms are needed to provide employment for these workers and avoid a mass migration of youth north to Europe, which could have volatile geopolitical consequences.

The extraordinary events of 2020 should not make us lose sight of long-term fundamentals that shape our world. Demographic changes can take decades to materialise, but the effects of declining fertility will begin to be felt in the 2020s. How governments respond to this challenge will determine whether the populist, identity-driven politics of the 2010s can continue their success. Economists also need to pay greater attention to demography, to ensure

wealth and health can be spread more fairly in the future.

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The (gradual) rise of Asia in the Middle East & the decline of US led security architecture

To many, the cathartic sigh of relief brought about by the end of the 2020 has been no surprise. President Trump's hawkish foreign policy brought the country close to war with Iran on several occasions, while the US's bungled handling of the coronavirus pandemic has caused it to [accumulated the highest number of deaths globally](#). The cautious optimism people may have had beginning 2021, with the announcement of vaccine efforts, was

shattered by the series of growing calls of election fraud which culminated in supporters of President Trump storming Capitol Hill – to much of the world's shock. With countries [questioning the strength of US democracy](#) and its capabilities to lead the world globally as well as regionally, Asian countries are likely to step up as leaders.

In no other region is this clearer than the Middle East, where the waning of US power has been a long time coming. This receding influence is being reinforced by the gradually increasing ties between Arab and Asian countries. [Asian countries have increasingly focused their attention on the Middle East region through growing and substantive ties](#). This pivot is underpinned by energy trade, investment, and migration. While these ties remain primarily economic, Asian countries have also made a conscious effort to increase their defence and security relations. As the two regions develop their relations, the United States' regional position is likely to be progressively threatened

as Asian countries seize the new opportunities in the region.

Asia's orientation towards the Middle East has been slowly materialising for a number of years. Energy acts as a crucial pillar of Gulf-Asian relations, [with the Gulf countries shipping over half of their crude oil and gas exports to Asian markets](#). China has entered as a key player in the region economically, using its Belt and Road initiative to aggressively invest in Saudi Arabia and the UAE, the largest recipients of Chinese credit. In the last year [capital flows to Saudi Arabia have risen by a further 7% to \\$4.6bn](#). Other Asian countries like Japan and South Korea have begun investing heavily in construction and finance. For example, the [South Korean, Exim Bank, has invested 5% of its portfolio into the Gulf](#).

With the Middle East weighed down by civil wars and regional tensions, the area has become increasingly contested as countries fight to build influence. In recent years, Russia, Saudi Arabia and Iran began geopolitical manoeuvres undermining the region's stability – the effects of which are visible in states like Syria and Yemen. At the same time, the administrations of Obama and Trump have made it clear in the past that disengaging from the region was necessary, [signalling their intention to withdraw from Afghanistan and Iraq](#). However, as critics point out, disengagement may lead to a power vacuum if done too quickly. Middle Eastern countries who rely on protection and assistance are worried, as they watch the US security architecture built so meticulously over time crumble. with the US led security architecture faltering of this very point. To remedy this, many countries are beginning to look East, not West.

For Asian countries, the growing economic ties have become a platform from which to undertake stronger security ties, albeit at a much slower pace in comparison. Asian countries will be careful not to antagonise the US, who currently remains the region's undisputed hegemon. Regardless, Donald

Trump has accelerated this process through his [criticism of America's security umbrella](#), bluntly describing Asia's reliance on US security as '[free riding](#)', along with expectations that countries must contribute more to security. Undoubtedly, many countries are starting to reconsider their dependency on US security in the region.

China has already established comprehensive strategic partnerships with several Middle Eastern countries, expecting full cooperation and development in regional and international affairs. This has directly translated [to joint naval exercises in the Gulf of Oman](#), with both Iran and Russia. India have similarly signed a [Comprehensive Strategic Partnership](#) with the UAE in 2017, and announced the Strategic Partnership Council with Saudi Arabia. Additional developments include the 2019 US-led international coalition to protect oil shipping in the region, made up of Asian countries like India, Japan and South Korea. Meanwhile, at the height of tensions between Iran and the US, both Japan and Pakistan forayed into the dispute and attempted to act as mediators. With Asian countries willing to influence and take responsibility for security issues within the region, the future of the eminent United States' security architecture is diminishing.

But how likely is an alternative security network led by Asia? While there is a likelihood of this occurring, this possibility exists mainly in the long-term. It is highly unlikely that the United States will completely withdraw its leadership on security matters in the Middle East, despite setbacks. Fears of a China-dominated region have spurred other Asian countries into action to counter it. India, who considers the region as an extension to its strategic neighbourhood, has engaged Gulf states in a bid to curtail Chinese influence. On the flip side, the growing rivalry between China and the US will mean that Japan, South Korea, and India will have to manoeuvre foreign policy very carefully and think twice before choosing sides in their competition. The

[US still has some sway with Middle Eastern countries like Israel and Saudi Arabia](#), and under President Biden, can still reverse the tide of declining US power by promoting the image of a responsible great power.

The future of the Middle East has remained a complicated and topical question to many. With the advent of a new year, it makes sense to contemplate this question. Considering that Asia contains the world's fastest growing economies, coinciding with the declining power of the United States on a global scale, Asia is set to lead the region on matters of economics and security in the long term. However, this trend is not concrete and will only happen gradually. Trust deficits between major Asian players are likely to hamper any future prospects of a united Asian security architecture. However, for the United States this might not be a terrible outcome to be feared. Asian led security offers the US a dignified exit strategy from the region which is in line with an 'America First' policy. Regardless of the eventual outcome, what is for certain is that the securing the future of the Middle East remains a multifaceted and complex endeavour.



American Democratic Backsliding and the Future of U.S.-Africa Relations

One year before his government was overthrown in a CIA-backed 1966 coup, Kwame Nkrumah's book "Neo-Colonialism: The Last Stage of Imperialism" caused enough stir that the CIA wrote a [book review](#) about it. The first President of Ghana and a foremost leader in the pan-Africanist movement, Nkrumah warned of America's neo-colonialist economic hold on the continent through the remit of international financial institutions and the conditions for democratic values they demand. Nkrumah's writings were of "greatest interest to the CIA", noted the memorandum, foreshadowing the coup to come. Post-ouster, Ghana aligned closely with the western bloc, the IMF, World Bank, and the neoliberal values that such institutions' subscribers represent. Ghana has

been lauded for its peaceful democratic transitions, albeit until December 2020's election-related [violence](#).

Fifty-five years after Ghana, the United States has confronted an attempted coup of its own. On 6 January 2021, Trump-aligned rioters, explicitly egged on by the president himself, stormed the U.S. capitol building, halting the certification of electoral votes and endangering lawmakers on both sides of the aisle. In 2021, America has conceded any reputation it may have carried as a beacon of democratic values. President Obama famously outlined such values in a speech to the Ghanaian Parliament over 40 years after Nkrumah's ouster. He declared his administration's [commitment](#) to "challeng[e] leaders whose actions threaten the credibility of democratic processes." He stated, "The United States will not stand idly by when actors threaten legitimately elected governments or manipulate the fairness and integrity of democratic processes." Now in 2021, America's unmatched democratic crumbling will profoundly affect the legitimacy it carries to engage with African nations and the values they prop up for the foreseeable future. Mike Pompeo, among other conservatives, has tried to save face claiming that the U.S. is no "banana republic", despite its recent undemocratic

tendencies, typified by some African nations. Ever still, American democratic values, expected to be at the forefront of the future Biden administration, face waning legitimacy.

This vacuum of American moral leadership is not simply a political theoretical concept. The 6 January events will affect the leverage the U.S. carries in implementing sanctions, overseeing elections, swaying mediations, and securing demands in conditionalities of aid, which Nkrumah spoke of. From economic policy, to trade agreements, to military interventions, to aid, the way the United States engages with the African continent has been shaped by the pursuit of and reward for democratic values since the Cold War. America's democratic backsliding will not only weaken the U.S.'s legitimacy in bilateral relations with African nations, but will make Washington a hypocrite in international fora such as the IMF and World Bank, when it tries to leverage funds on conditions of good governance.

Turning to examine the effects of America's now arguably toothless stance in implementing sanctions, Zimbabwean President Emmerson Mnangagwa has already called out the Trump administration's hypocritical economic sanctions policies implemented over concerns about the African nation's stance on democracy. President Mnangagwa [stated](#) on 7 January, "yesterday's events showed that the U.S. has no moral right to punish another nation under the guise of upholding democracy".

Other African leaders called out American hypocrisy in election monitoring and criticism. Ugandan Labour Minister Frank Tumwebaze ripped at Marco Rubio's twitter [statement](#) describing the violence as "3rd world style"... "So you are benchmarking 3rd world style? This rhetoric & double standard, God have mercy!" Uganda has faced growing violence and unrest ahead of the 14 January 2021 election in which former pop-singer Bobi Wine will face long-time incumbent Yoweri Museveni, who has ruled the country since 1986. Yet American commentary on Ugandan pre-election violence

comes off as sanctimonious after the siege of the capital.

Former Nigerian Vice President Atiku Abubakar [stated](#) that the 6 January events were "a lesson to be learnt: that strong institutions and not strong personalities are the bulwark of a rich democratic culture." As for the American place in international institutions, America's ability to dangle aid against democratic demands, whether it be in the World Bank, IMF, or bilaterally, has been severely delegitimized. Council on Foreign Relations scholar John Campbell [argues](#), "For now, American prestige in Nigeria, at least, is in the gutter and American soft power in the world's second largest continent is evaporating." One main channel for the exertion of U.S. soft power on the African continent is through aid and international financial institutions. The American ability to demand good governance in exchange for financial easing now seems faulty at best.

The consequences of the U.S.'s declining legitimacy in engaging with African nations on the basis of promoting democratic values, will be mixed, just as the consequences of U.S. interventions, (military, economic, and aid-based) have indeed, been mixed. It is no secret that the push for western liberal democratic values in Africa has also been carried out with a side of violence and election rigging. In other words, the absence of U.S. moral leadership post January 6th, is not new. As scholar Damola Adejumo-Ayibiowu [writes](#), "Western donors...contribute to these democratic failures because they always endorse any African country where elections are held as democratic, even when undemocratic leaders win." However, American external support of political liberties in Africa has played an important role in fostering peaceful transitions in several contexts. For example, the U.S. was [key](#) in participating in the coalition restoring constitutional government in Niger in 2011, the transfer of power from Nigeria's dying President Umaru Yar'Adua in 2010, and fostering the 2012 peaceful transition in Malawi under Joyce Hilda Banda.

While the U.S. has receded from conducting CIA-backed coups on the African continent, Kwame Nkrumah's 1965 warnings of the American persistence to shape democratic and neoliberal values abroad have not dimmed and are unlikely to under a Biden administration. Yet America's credibility in imposing such values has been tarnished. President-elect Biden faces a catastrophe for democratic rebuilding, and it should start at home.



The Future of the Arts in 2021

It is an unfortunate coincidence that many of the fundamental tenets of the arts left them in a uniquely vulnerable position when the Covid-19 pandemic reared its ugly head. Whether it's a night at the theatre, an afternoon at a gallery or a week at a music festival, the arts have always been communal in spirit, an excuse to connect and socialise with people. As much of a cliché as it is to say, the arts have always been a medium by which people are drawn together for shared, meaningful experiences. Unfortunately, shared meaningful experiences are not particularly

conducive to social distancing. Needless to say, the effect of covid-19 has been devastating to creative industries across the globe. To take the United States as an example, [an estimated 2.3 million jobs in creative industries are at risk, over a third of the industries total workforce, with a \\$74 billion loss in average monthly earnings](#). With 2021 already promising to be just as bleak, it seems another fallow year may be in store for the creative world. However, it is perhaps as ironic as it is tragic that, despite the crippling effects of the pandemic, the arts have never been more important. With everyone shut inside for months on end in the darkest days of the outbreak, the mental wellbeing of society hinged on the combined efforts of binge-able Netflix shows, Spotify, and finally getting around to reading Jane Eyre. If 2021 is to prove much the same, then we will need the arts more than ever as we all enter another strange and trying year.

For the world of cinema, 2021 could prove to be a pivotal year. It is perhaps unsurprising that 2020 was not kind to the silver screen; the closure of cinemas due to social distancing requirements totally stripped chains and small-independent cinemas alike of their income, leaving the movie business in a financial slump. While the closure of cinemas was only supposed to be a temporary measure, for many the total lack of revenue has left irreversible damage. Cineworld, one of the largest groups of UK theatres, has declared that it does not expect to recover [until 2023](#) and has warned that it will be closing many venues permanently. This in turn has worrying implications for Regal, the second-largest film distributor in the US, a subsidiary of Cineworld, which could find itself shutting its doors permanently without financial support. Even for AMC theatres, the largest cinema distributor in the US, the outlook is bleak as the company previously warned that it would have run out of cash by [the beginning of 2021](#). Clearly, cinemas have struggled in 2020 and will continue to do so in 2021 as the pandemic drones on. The

simple pleasure of a night at the movies might soon be a distant memory.

Yet, there may be a light at the end of the tunnel. Specifically, as we approach the summer of 2021, we may just be able to make out the distant sound of 'Danger Zone' by Kenny Loggins echoing off the tunnel walls and an aviator-clad Tom Cruise waiting to guide us out of the darkness. 'Top Gun: Maverick,' the hotly anticipated sequel to the 1986 cultural phenomenon 'Top Gun,' has announced that it will finally premiere on July 2nd, 2021 after numerous delays, with Paramount claiming that ["we are confident that, when the time comes, audiences everywhere will once again enjoy the singular joy of seeing Paramount films on the big screen."](#) If that weren't enough, the 25th installment of the James Bond Franchise 'No Time to Die' has been set to premier on the 2nd April 2021. It is possible that, if cinemas can hang on until summer, the release of major blockbusters which fans have been holding their breaths for will be the shot to the arm that the movie business needs to get back on its feet.

However, this light might be fading faster than we can get to it. With the pandemic showing no signs of abating and cinemas an obvious stomping ground for infections, it would not be surprising to see releases pushed even further back. For instance, the new Batman film starring Robert Pattinson as the titular character has already been postponed [until 2022](#). In short, the future of the cinema is uncertain.

However, the seemingly endless lockdowns and quarantines have hugely boosted the importance of a different medium of media-consumption. For streaming services, the pandemic has been something of a blessing in disguise. [Over 12 million customers signed up to new services like Netflix, Amazon Prime and Disney+.](#) with viewing figures for these platforms up by 71% across the board. Some of the most memorable viewing experiences of 2020 was found on streaming services. Netflix's 'Tiger King', perhaps the most surreal documentary ever put to film, became an

overnight cultural phenomenon as a direct result of pandemic binge-watching, spawning memes, rumours of a presidential pardon. The phrase 'truth is stranger than fiction' was given a whole new set of meanings in the forms of Joe Exotic and Carol Baskin. Disney+ fared just as well, releasing the second season of Star Wars' surprise hit 'The Mandalorian,' featuring TV's most adorable McGuffin in the form of Baby Yoda. Even more importantly, the service released one of 2020's few new films: 'Soul,' Pixar's critically acclaimed answer to the existential crisis. The move from the silver screen to the small screen is set to continue in 2021 with Star Wars announcing a cornucopia of new shows to be released on Disney+ [throughout the year](#). 2020 saw a year without a release from Marvel for the first time since 2009. However, the MCU will be back with a vengeance in 2021 with a flurry of new TV shows like 'WandaVision' and 'Loki' being released onto Disney+. Perhaps, as the pandemic drags on, the film industry may be forced to adapt to the continued success of streaming services. With critically acclaimed films like Martin Scorsese's 'The Irishman' being released straight to Netflix, the move would not be unprecedented. Indeed, there have already been calls for the latest Bond film to be released [digitally](#) rather than continuing the trend of postponement in perpetuity. Indeed, the change may have already begun as the latest remake of 'The Witches' starring Anne Hathaway was released directly to HBO Max in the US. Perhaps then, 2021 will see the release of major Hollywood films straight to streaming services become commonplace.

Theatre has perhaps had the most turbulent year of all the arts. Both Broadway and the West End, the capitals of the theatre world, were forced to totally shut down by the pandemic. The effects have been worrying. Given that theatre, by necessity, requires its patrons to sit in cramped, closely packed spaces for hours on end, it is hard to see theatre making any kind of comeback in the near future. Accordingly, The National Theatre in the UK was very public in admitting its dire situation and was forced to

prepare for substantial staff cuts; almost 30% of its workforce is likely to [face redundancy](#). In the US, The Actors Fund, a fund providing for the needs of various workers in the creative industries, received over 15,000 requests for aid in the first 3 months of the pandemic, distributing over [\\$13 million dollars](#). Therefore, it seems that, at least for now, it will be some time before anyone can tread the boards again.

However, whilst the outlook for the theatre might seem singularly bleak, there are some silver linings going into 2021. Various actors and other theatre-makers have experimented with 'virtual theatre.' The filmed version of the smash-hit musical 'Hamilton' released on Disney+ became the most streamed single title across all streaming platforms in [early July](#). This staggering reception has lent weight to the idea that theatre can remain relevant through online streaming. Broadway HD, founded in 2012, has launched a new array of musicals and plays, with titles on the service including Peter Pan goes Wrong, Kinky Boots, the Phantom of the Opera, and Cats. The UK National Theatre has taken similar steps. Following its successful bout of streaming shows over YouTube, which received over 15m million views in 173 countries, The National Theatre has launched its own streaming service 'National Theatre at Home'. With Productions ranging from [Shakespeare's Coriolanus to Chekov's Cherry Orchard, the service features some of the worlds finest acting talent straight to your phone or laptop](#). However, the most staggering evolution in virtual theatre comes directly from the brave new world of TikTok. Ratatouille the Musical, an internet meme that somehow transcended its form and grew into a legitimate musical, was streamed on 1st January 2021, with an encore performance taking place on the 10th January, raising over [\\$1.9 million dollars for the actor's fund](#). This, if nothing else, demonstrates that theatre can be made from scratch and performed from the confines of the virtual world. However, scepticism for this new, experimental form of theatre from the old guard is palpable with Rufus Norris, director of the

National Theatre, saying: "When NT Live was launched I was a sceptic, I thought the whole point is that live relationship between the actor and the audience member." This scepticism is perhaps unsurprising as, when the curtain finally rises on theatre, it is likely to be a very different industry than it was in 2020. When things finally return to normal, it has been speculated that theatres, in order to encourage the crowds and expand their reach to the younger generation, will have to begin charging lower prices for shows. Ultimately, this change may be positive. After the most testing time in theatre history, perhaps some of the perceived pretentiousness and elitism that has traditionally plagued the theatre industry, unfairly or not, and kept the casual theatre goer away will finally be shed and allow for a more [accessible and more widely appreciated theatre scene](#).

Finally, the world of music faces an uncertain future in 2021. Unsurprisingly again, the live music industry was hugely damaged by the pandemic. In the US, almost all the major music festivals were called off. Burning Man, Lollapalooza and Coachella were all cancelled amongst rising cases. In the UK it was much the same, with Glastonbury Festival being forced to cancel its much anticipated 50th anniversary. In the UK, Festivals saw a [90.2% drop in revenue with 50% of workers threatened with redundancy](#). Clearly, the future of live music hangs on a fruitful 2021. One advantage that festivals do have is that they are mostly held outside, reducing the likelihood of transmission...but that is where the good news ends. Any event with hundreds of thousands of people travelling from all over the world to congregate in one place for a substantial period of time, with little to no hygiene or social distancing holds the unfortunate potential to become a covid-ridden nightmare. A further worry is that people at music festivals are between the ages of 18-23. Whilst the vaccine rollout is progressing, this demographic is right at the end of the queue and are unlikely to be fully vaccinated by the summer of 2021.

However, there is a ray of hope for music festivals. Ticket sales and distribution company Ticketmaster has announced an [initiative to check vaccination status for concerts](#); verifying whether an individual has been vaccinated within a 24-72 hour window. If successful, this initiative could pave the way for a triumphant return to the concerts, gigs and festivals in allowing them to ensure the safety of all who attend. Failing that, certain festivals may resort to a virtual solution. For instance, the Tomorrowland Festival held in Belgium usually draws over 400,000 people. However, in 2020 they decided to go entirely virtual, with an entire virtual island being created for the event. Whilst such a solution is a far cry from the real thing, it at least offers the potential for income that may tide the festivals over into 2022.

As a small consolation for the music world, whilst it is true that live music took a dive, people are consuming more music than ever and the trend shows no sign of stopping. In the midst of the pandemic, Spotify hit [130 million](#) subscribers, with people having more time than ever to catch up on music and podcasts. Furthermore, the sale of vinyl records skyrocketed during the pandemic, with sales reaching their [highest level in three decades](#). This was equivalent to a 250% growth in sales, with people swapping out what they would have spent on concerts and instead splashing out on records. So, while the music industry has found itself badly dented by the pandemic, people are still finding new ways to experience the music they love. Hopefully when the world is finally let out again, people's desire to soak up live music will only have been strengthened.

Ultimately, 2021 is likely to be another mixed bag for the arts. For festivals and concerts, a return to normality seems a long way off, only likely to make an appearance in 2021 in a limited capacity. For the more theatre-inclined, the story is much the same. Even a pleasure as simple as going to the movies is likely to be nothing but a fond memory for the near future. However, the arts aren't going anywhere. With the following year already seeming bleak, it is

perhaps never been a more important time for the arts to prove their value. The human soul will always need some nourishment, as inconvenient as that might prove to pandemic regulations. When everything else is all but impossible, the arts have shown, and must continue to show, that they will always be there to help us wind away the long lockdown nights. Whether it's seeing Coriolanus from the comfort of your bedroom, or playing your favourite album on vinyl for the first time, hopefully the arts can still bring a smile or two in 2021.



The Race to the Red Planet

A permanent colony on Mars might seem like pure science fiction, but for many astrophysicists and engineers the prospect is closer than you might think. This year will mark an important milestone in the story of Mars exploration, with three separate probes scheduled to arrive at the red planet. [Spacecrafts](#) from the US, China and the United Arab Emirates (UAE) will all arrive in February and begin their respective tasks.

Missions can only be sent during specific launch periods which occur roughly every two years, hence why all missions tend to set off and arrive around the same time. Using a wide orbit that crosses the path of Mars known as a [Hohmann](#) transfer orbit, a spacecraft can make the journey in just six months using minimal fuel. The most recent launch period was July 2020, and the three craft launched during that timeframe are currently on their final approach.

The first contender is an old hand when it comes to sending robots into space. NASA already has

21 successful Mars exploration missions under its belt, including nine landings. Their most recent *InSight* lander included drilling equipment currently being used to investigate the planet's geology, including the makeup of its core and the nature of any seismic activity. The current mission titled [Mars 2020](#) includes a rover dubbed *Perseverance* that hosts a plethora of scientific instruments designed to gather more data on climate and atmosphere, information vital to the success of any future manned mission. The probe will also deploy a small helicopter drone called *Ingenuity*. Its sole purpose is to demonstrate the feasibility of powered flight within the Martian atmosphere. It is clear that the USA is successfully laying the groundwork for future manned missions to Mars, proving themselves to be the main contenders in the modern age space race. However, the country's new rival, China, seeks to catch up.

China's [Tianwen-1](#) mission will be its second attempt at reaching Mars. Its first, *Yinghuo-1*, launched in 2011 but was left stranded after a thruster malfunction and never left earth's orbit. Nevertheless, they have seen great success when it comes to lunar missions with several successful moon landings. *Tianwen*,

which roughly translates to 'heavenly questions', follows a similar format to previous American missions. The main difference is that this single mission is armed with an arsenal of scientific instruments that it will gather the same amount of information as all previous US mission, effectively leapfrogging to catchup with NASA. Clearly, China is positioning itself as a competitor to the US and without doubt the two are first and second in terms of space exploration technology. However, they are not the only countries involved. Smaller nations such as the UAE are increasingly breaking into this new and exciting arena.

The UAE's [Hope](#) mission will be its first interplanetary project and an awe-inspiring feat considering the nation's size. Unlike the other two, it will not attempt to land on the surface but will instead orbit it and gather data on the Martian atmosphere to better understand the climatic conditions that could allow liquid water to exist. If successful, the UAE will become the first Arab country to send a probe to Mars, positioning it as the region's preeminent spacefaring nation. By levelling the playing field between traditional space superpowers and a newcomer, the UAE has demonstrated that space exploration is not exclusive to giants such as China and the USA.

The solar system is starting to get crowded. But what does this all mean for the future of space exploration and the politics surrounding it? Former US vice president [Mike Pence](#) described a new space race akin to the one between the US and Soviet Union during the Cold War. Such analogous claims make good soundbites but let us not be mistaken. Modern-day space politics are quite different from those of the Cold War. In the 1950s and 60s two superpowers, the US and USSR, had a duopoly on spaceflight and only had to contend with each other. Today there are no fewer than ten countries that possess orbital launch capability and as the UAE has demonstrated, the list continues to grow. Besides sovereign states, international organisations such as the European Space Agency are also in on the game. The recent

increase in interplanetary traffic has been partly due to private aerospace firms Boeing and SpaceX. By contracting out the routine work of travelling to and from low earth orbit, national space agencies can free up resources for the more ambitious missions. But even these private companies have loftier goals. [SpaceX](#) CEO Elon Musk commits to establishing a permanent human colony on Mars within the next few decades.

On the whole, space has become globalised and is no longer just the domain of two or three superpowers. Of course, we will continue to see competition, particularly between China and the US, but there is now far more room for cooperation than 60 years ago. An eclectic mix of superpowers, smaller states, international organisations and profit-seeking companies with different goals and intentions will make for more of a space free-for-all than a race.



COP26: Runaway Climate Change – Can it be stopped?

Arguably the most famous of summits, COP21 in 2015 saw the Paris Agreement [signed by all 197 parties](#) – a separate agreement under the UNFCCC instead of an amendment to the Kyoto agreement. Whilst a big step forward in global initiative, it would seem not all countries are fully invested and with those that are, have the steps taken been great enough?

Seven nations have failed to ratify the agreement (Eritrea, Iran, Iraq, Libya, Turkey, and South Sudan) only one – the U.S. – [has delivered notice to withdraw](#). Contributing almost [15% of total global CO2 emissions](#), the rollback of U.S. environmental policy was a big blow. Having left on the 4th November 2020, President-Elect Biden has vowed to re-enter the agreement on his first day in office, just over 3 months later. The agreement itself saw parties agree to limit the increase in global average temperature since pre-industrial levels to under 2°C and to take every effort to keep the actual

figure to under 1.5°C. Currently sitting at [0.95°C](#) we're en route to an increase “between 3 and 4 degrees C (5.5 and 7F) by the end of the century”, says Sir Robert Watson. [A report that Sir Watson co-authored](#) suggests that most countries are not going to meet their 2030 targets and that some targets are insufficient to meet the Paris Agreement. Ultimately this comes with a financial cost; that same report believes that by 2030 “the failure to reduce emissions will cost the world a minimum of \$2 billion per day in economic losses from weather events made worse by human-induced climate change.”

The [Paris Agreement works](#) on a five-year cycle with parties having to submit an NDC (Nationally Determined Contributions) to the UNFCCC, which is a legally binding target. With most parties having submitted theirs late December 2020, the U.S. out-in fiasco sees them just missing this 2020 NDC. Most countries submitted an NDC including a defined percentage of reduction in greenhouse gas emissions by 2030. Some as low as the [EU's 55% reduction](#) since 1990 levels, with others as high as [Russia's legally ambiguous “up to 70%”](#). The U.K., who originally would have submitted under the EU's 53% (they later amended to 55%), now comes out with a legal target of an

[economy-wide reduction of 68%](#). This follows from advice from the Committee on Climate Change (CCC), a committee established by the [Climate Change Act \(2008\)](#) which sets the U.K. a legal target of net-zero emissions by 2050. Scotland has a [similar target instead for 2045](#), and [Wales 80% reduction by 2050](#) (Northern Ireland follows the national target of net-zero by 2050). The CCC's Chairman, Lord Deben, said the "68% target was in line with the government's long-term goal of reaching net zero emissions by 2050, and was feasible".

Ultimately these NDCs (whilst legally binding) are just words, the policies that are required to see them through are what will make the difference. U.K. emission reduction has already [reached roughly 45%](#) but this is mostly in part owed to the switch from coal to gas in the 1990s rather than any modern policy making. Recently transport and energy supply play a big part in emissions, both amounting to more than [50% combined of U.K. greenhouse gas emissions annually](#) – though both do see a 1-7% decrease in the 2017-2018 study period. The COP26 webpage likes to point out that the [U.K. is the forerunner out of G7 and G20 member parties in certain sectors and in 2019 doubled the climate budget to £11.6bn over the period 2021-2025](#). Whilst it seems the UK (and the EU) have set targets which are in line with the Paris Agreement's overall goal and will meet those goals by 2030, the EU (incl. U.K.) only account for 9% of global greenhouse gas emissions. With the majority of other parties NDC's being categorised as "insufficient" or unobtainable, a lot is left to be done.

This is where COP26 aims to pick up. The Paris Agreement and UN Climate Change timelines need to move forward. We must reach net-zero sooner than 2050 and further GHG cuts need to be made by 2030. This needs to happen across the board in undeveloped countries as well as developed ones. The Paris Agreement states that economically well-off countries should help those that aren't, in aims of adapting to climate change. But we don't just need to help those countries that might struggle, we need to

lobby those that are dragging their feet. The U.S. – an economically developed country – has their targets categorised as "insufficient". A category otherwise filled by economically worse off countries. Such as Bolivia or Ethiopia, that is countries whom either have no formal targets or rely more than 50% on international funding. Getting global superpowers on board is imperative. China's economic growth has been powered by coal, between the period of [1985 and 2016 coal accounted for 69.9% of energy production in china](#). But coal is one of the worst power sources for GHG emissions.

In recent years we have made great progress through summits such as COP, legally binding targets, national policy, and investment in renewables. But we cannot become complacent. Only by pushing for change on the international stage, at home in our own sovereignties, and at a personal level can we move forward. Although this year might not be what we had hoped for with COVID-19, COP26 provides an opportunity to globally come together to kickstart the economy with climate-based investment, introduce international policy, and change mindsets – but most importantly to prevent runaway climate change.



Climate Change: Is there hope?

There are few things that make for more grim forecasts than the consequences of climate change. Droughts and famines will increase in prevalence and severity. Events such as when [Cape Town came very close to running out of water in 2017](#), and when [Chennai \(a city of 9 million people in India\) actually did in 2019](#), will become more common occurrences across the globe. Extreme weather events will also follow the same path. Wildfires, flooding, and cyclones will happen more often with greater severity. Expect the massive wildfires that plagued [Australia](#) and [California](#) last year to only get more massive. Coastal cities such as Miami in the US, Jakarta in Indonesia, and many, many more, will struggle to avoid rising sea levels making more and more swaths of land increasingly uninhabitable. Crop yields will fall, and desertification will reduce arable land, increasing food insecurity all over the world.

This is only a very short summary of the massive impacts that global warming will have on the world. This will all come to pass if global

temperatures continue to rise. To stop this the emission of greenhouse gasses needs to fall and eventually end. Yet forecasts still show carbon emissions on the rise. Much of the world consists of nations yet to fully industrialise. When they do they will add to the already-high levels of global emissions.

Were there an effective international agreement to reduce carbon emissions, the problem would be much easier to tackle. But the Paris Agreement—the most recent international agreement on climate change, ratified in 2016—only asks countries to voluntarily reduce their emissions by setting their own “nationally determined contributions” (NDCs), such that increases in the global temperature stay well below 2°C above pre-industrial levels. There are no legal consequences for failing to meet these targets. To no one’s surprise then, [countries’ currently promised policies fall well below what is required for them to meet their NDCs](#). COP26, the United Nations Climate Change Conference, will meet in November this year to negotiate further action against climate change, but it’s unlikely an international agreement will be reached that contains binding targets for all nations to reduce their carbon emissions. This is simply because the problem is a tragedy of the

commons. Should any one country agree to a greater reduction in their emissions, there is less incentive for every other country to reduce theirs. Given all of this, can we be frank and conclude that it is unlikely that climate change can be stopped? Many people have, [admitting that there is a climate apocalypse coming](#), and there is nothing we can do to stop it.

However, there are a few complications to this conclusion. The first is that global warming can be delayed. [In 1991 the volcano Mount Pinatubo erupted](#). It spewed millions of tons of sulphur dioxide into the atmosphere. In the atmosphere sulphur dioxide reflects light; the sheer quantity of it released by the eruption blocked enough light to [reduce global temperatures by 0.5°C](#) for several years. The same effect can be replicated by simply using planes to deposit tonnes of sulphur dioxide and other aerosols into the atmosphere. This would not stop climate change permanently: over time the aerosols would dissipate and their cooling effect would cease, sending global temperatures soaring again. But their use can buy more time to reduce carbon emissions. Although there is still uncertainty as to precisely how much it will cost, [estimates put it roughly at tens of billions of US dollars a year](#)—cheap compared to the costs of global warming. This exists only as a plan on paper; no one has actually tried it yet at the scale described. But as global warming gets worse, and the desire to mitigate its severe consequences grows, it will be a tempting option to buy time.

The second factor as to why there is still hope to tackle climate change is that technological progress will play a critical role in the transition to a green economy. ‘Techno-optimism’ has been criticised because of the inherent risk in relying on technology that does not currently exist to solve a present problem. There is some merit to this argument in that it can dissuade governments and businesses from reducing emissions today, since the technology will supposedly sort it out in the future. But as hard as it is to forecast technological development, it is foolish not to at least attempt to. It is easy to

forget how quickly it progresses. For example, consider the past 20 years. The original iPod came out in 2001. Its cutting-edge feature was that it could hold thousands of songs in your pocket, a massive jump compared to the Sony Walkman which required you to lug CDs around to listen to your music. Twenty years later and music streaming services like Spotify and Apple Music allow users to listen to almost all of the recorded music in all of history, wherever they go in an ultra-portable device, at a monthly cost less than what a single CD would have cost in 2001.

So when we consider the future of green technology, it is realistic to think of the unimaginable. Consider some very real and visible trends. [From 2010 to 2019 the cost of solar panels has fallen by 82%, while the cost of onshore and offshore wind has fallen by 39% and 29%, respectively](#). Renewable electricity generation is volatile, with output dependent on the time of day for solar and wind speeds for wind power, so improved battery technology is also necessary for their adoption. [Battery prices fell by 85% from 2010 to 2018](#). Although not as proven as a technology as renewables, hydrogen is also getting a lot of focus. The [EU is aiming to develop to increase its production sixfold by 2024](#) and attract billions of euros to the sector. [Japanese firms are racing to develop their own hydrogen technology faster than the EU](#). Meanwhile the UK’s national grid is [trialling it to replace natural gas](#) in order to decarbonise heating.

Changing consumer preferences towards more green goods and services is also helping drive this trend in green innovation. If all motorists cared about was price and performance then electric cars would have never left the drawing board. Yet Tesla is fast expanding and Volkswagen is targeting [60% of their sales to be hybrid and electric cars by 2030](#). Rising numbers of vegetarians and vegans means that millions of people are [switching to a more eco-friendly diet](#); in response [supermarkets are providing new plant-substitutes](#) to make this happen. And for the omnivores, what was

literally science-fiction only a few years ago is now reality, as [Chicken meat is grown in a lab and sold to consumers in Singapore](#). Assuming the process is successfully scaled up to a larger scale, then this can provide a much less carbon-intensive method of 'producing' meat.

Finally, the most important factor of them all is that increasing political will to combat climate change will ensure that the necessary action by governments eventually happens. This is most prominent in the younger generation, who have realised that global warming poses serious danger to the planet within their lifetimes. Every following generation will be the same. As a result, democratic will to reduce emissions will only grow. When Al Gore ran for president in 2000 he [struggled to convince the US of the need for reducing carbon emissions](#). Now the talk is of reaching [net-zero emissions by 2050](#). In Britain, [Boris Johnson has his "10-point green plan"](#) to tackle climate change. The actual plan is far from sufficient, but the mere fact that he is politically compelled to produce such a plan is indicative of the shifts in politics today.

Greta Thunberg also symbolises this shift in political agenda. A cynical view would suggest that her activism has been unable to have any tangible effects. Politicians have been happy to line up for photos with her while simultaneously failing to commit their governments to action that could prevent climate change. But her activism has set an inevitable direction of change for both government and business that is obvious from how environmental issues are now discussed. When Michelle Manook, Chief executive of the World Coal Association, [writes to The Economist to defend coal](#), she is not dismissive about climate change, but instead arguing about the massive carbon emission reductions that can come from improving the efficiency of existing coal power plants. Companies around the world are lining up to demonstrate [how they will reduce their carbon footprint](#). [Trillions of dollars in the global financial system are now invested in 'green finance'](#); investors care about climate change.

To finish off, imagine hopping into a time-machine and travelling back 20 years. Imagine talking to someone who's just bought the latest iPod, and try explaining Spotify or any other music streaming service. Imagine how mind boggling it would be for them that such a technology could exist, that such change could happen in such a short space of time. And that's before you explain everything else your smartphone can do. They'd likely call you crazy. Now imagine that today you bump into a time-traveller who's from 20 years into the future. What would they try and explain to you? That vast fleets of planes dumping aerosols into the atmosphere were reducing the global temperature by two degrees? That even though everyone was aware of the danger posed by greenhouse gasses, extreme weather events had once again become a rarity. Would they explain to you that the majority of electricity now came from renewables, their favourite food was a lab-grown steak, and that most nations around the world were on the track to reach net-zero? Would you call them crazy?



Digital Payments Systems: The Key to Chinese Hegemony?

[Projections for 2021](#) estimate that this new year will see \$6.69tn worth of digital transactions take place. China, in stark contrast to the US, will account for a disproportionate 43.6% of this volume. Reflective of the rising power's rapid progress towards a cashless economy, this trend is part of China's broader bid to displace the dollar as the modal international currency with its digital yuan. Will this drive bear fruit and prove to be the key to China overtaking the US' dominant position in the global economy?

China has shown exceptional enthusiasm for cashless payment methods, [now boasting an estimated 987.5m digital payments users](#). [The modal Chinese payment system](#) works by assigning every merchant and every payment option (for example a bank account) a QR code. Then, in contrast to the merchant always

providing the connection to the payment system, either the payer or the merchant can scan the other's code using a third-party app, enter the amount of money and complete the transaction. The smartphone replaces the card reader, the app is the interface for the transaction and the QR code effectively plays the role of a debit card. However, this system doesn't immediately require an internet connection. The other component of this is the digital wallet. The idea of the digital wallet is fairly self-explanatory. The link between the digital wallet and the banking system, though, is created and managed by the third-party apps. Alibaba, the Chinese equivalent of Amazon, and Tencent, the Chinese equivalent of Facebook, provide the virtually unrivalled payments systems Alipay and WeChat Pay respectively. The practical differences between the Chinese system and what others may be familiar with is the substitution of the hardware. The technology driving the system though does differ.

This system fundamentally [relies on widespread bank account and smartphone ownership](#), without which such digital transactions would be the reserve of a small minority. Beyond these structural considerations, the reluctance of

Chinese merchants to adopt card readers, largely due to the expense of processing payments via banks, was what prompted the divergence between Chinese and Western digital payment systems. Big tech firms filled this void with a mutually beneficial solution. Digital payments in the style that has been described are comparatively very cheap, and virtually free for small businesses. Transactions are free for consumers, and a maximum 1% commission is charged to the merchant if they surpass a given threshold (variable depending on platform). The reward for firms such as Alibaba and Tencent is the huge amount of data that they can then harvest as a result of these transactions, allowing them to refine existing products or create new ones based on masses of up-to-date consumer data.

How do Western countries compare in terms of the progress of domestic digital payments systems and cashless economies? [GlobalData assessed](#) that Finland is the most cashless economy as of this time last year, with 'decashing' an active government policy. Sweden was similarly highly ranked, with analysts suggesting that they will become the first truly cashless country by 2023, but are currently lacking the pervasiveness of online banking and card technology boasted by other nations. Interestingly, China was placed below these two countries in terms of being the most cashless economy. However, it was pertinently noted that China's population is drastically larger than the countries it was being pitted against and the rapidity with which digital payments systems have grown in popularity is exceptional. The UK then follows, cited as the seat of fintech progress, and second only to China in terms of the value of e-commerce transactions as a percentage of the GDP. The UK could become cashless by the mid-2020s. Coronavirus has naturally prompted a widespread [increase in the volume of digital payments](#). However, only time will tell as to whether this will be indicative of more permanent international movement towards the adoption of cashless solutions.

America would be the natural competitor to Chinese progress in digital payment technologies due to its size and economic pre-eminence. However, the US' reluctance to embrace such innovation signals a host of broader concerns surrounding the possibility of a cashless future. As of 2019 the volume and value of US cash in circulation was approaching record levels. Despite coronavirus, and the risk of transmission attached to using cash, cash is still being spent at the same rate as it was in 2019. Why then, is America seemingly going against the grain? Aside from cultural issues such as tipping and gift-giving, America's significant unbanked and underbanked minority represents the lack of a major pillar of cashless society which has played a key role in the Chinese case. 6.5% of American households, which amounts to 14.1m adults and 6.4m children, are unbanked. Broader social issues are also at work here. Many commentators suggest that commercial banks have unreasonably high barriers to entry which exclude people of colour. One such barrier to entry is physical access to banks. For example, in New York neighbourhoods of colour there is only 1 bank per 10,000 people, compared to 3.5 in predominantly white communities. This indicates that regardless of other concerns, America simply isn't ready to attempt to transition to a cashless economy even if it wanted to. More general concerns also contribute to the US' antipathy towards digital payment systems. One notable argument relates to privacy, which is vastly more secure when using cash. Regardless of the context in which this privacy is benefitted from, whether making tax-free payments or buying gifts, it is important that use of cash remains a consumer choice. So much so, Philadelphia, San Francisco and New York, amongst others have banned merchants from exclusively accepting card and contactless payments. This is indicative that a cashless US economy is currently a very distant dream.

Why exactly should we care though? The answer is that the development of digital

payments systems in China has led to designs from their government to create a new digital currency to rival the dollar. The ancient historian Thucydides [predicted the inevitability of conflict between established and emerging powers](#). Dubbed the '[New Cold War](#)' by some commentators, rivalry between the US and China has famously come to the fore in recent years. It could very well be the case that as in the first Cold War, the battle is technological, and that rather than a space race, competing digital payments systems could determine its outcome. [Niall Ferguson](#), Millbank Family senior fellow at the Hoover Institution, argues that systems such as Alipay and WeChat Pay are the preliminary stage for an international payments system dominated by China. In this narrative, these privately-owned digital payments solutions would create a native economy sufficiently cashless to support a digital national currency and payments system. These initiatives could then be scaled to supplant the dollar and existing international payments systems. This, in Ferguson's opinion, would see the death of the dollar and therefore strip the US of what has become a defining feature of its foreign policy, economic sanctions.

China's attempts to construct such an international payments system have already begun. The People's Bank of China (PBOC) is developing the Digital Currency Electronic Payment (DCEP), effectively the digitization of the yuan. This is a clear development of the digital wallet used in Alipay and WeChat Pay. The PBOC's public motivations for this initiative are to eliminate the costs of managing cash, improve monetary policy via real-time data and speeding up and reducing the cost of international payments. This digital currency is set to partner Cross-border Interbank Payment System (CIPS). The purpose of this is to rival Brussels-based Society for Worldwide Interbank Financial Telecommunication (Swift) and provide a platform to allow the popularity of the digital yuan to grow. This is the specific mechanism via which participating financial institutions [could relieve themselves of](#)

[pressure applied by US financial sanctions](#). This is because the vast majority of international settlements go through Swift in dollars. When the US applies sanctions, this affects the value of the sanctioned currency with respect to the dollar. Use of an alternative currency, via an alternative payments system, could therefore alleviate the impact of US economic sanctions.

To evaluate the threat of the Chinese international payments system which is taking shape to the dollar and US international diplomacy, a couple of key questions must be asked. First of all, just how key are economic sanctions to US foreign policy and subsequently their international standing? The simple answer is very. This tool was first used following 9/11, with economic sanctions issued against financial backers of Al-Qaeda to great effect. Since then, sanctions have been routinely used against countries as a lever of foreign policy. As of May 2019, the [US had 7,967 sanctions in place](#). This trend has continued. Just last month, the [US imposed sanctions on Turkey](#) following its purchase of a Russian S-400 missile. Therefore, it is right to suggest that if the dollar and Swift could really be displaced in favour of Chinese-backed alternatives, it would significantly impact America's ability to continue to exert such international influence, as they would no longer have the primary tool of their foreign policy.

So, is it really feasible for the digital yuan to overtake the dollar as the pre-eminent international currency? Is CIPS to rival Swift? At present, it looks unlikely. In terms of the internationalising the yuan, investors favour stable currencies backed by strong economies, which are easily convertible and widely used. They are relatively unconcerned how innovative the technology behind it is. Nearly two-thirds of global currency reserves are in the dollar, compared with a [meagre 2% in the yuan](#). This demonstrates that consensus sees the dollar as a much safer asset, and that the yuan isn't currently powerful enough to really reap the aforementioned benefits of its digitization for China. The course of global recovery from

Coronavirus could see change in the relative economic strengths of the two countries, but frankly the yuan seems distinctly outgunned and there's no indication of this changing. The digitisation of the yuan is unlikely to help either. This largely spans from the very reasonable security concerns that come with digital currency. Even the most fervent Chinese optimist must struggle to envisage many countries surrendering their transaction data to the Communist Party of China by trading on any great scale with the digital yuan. In terms of CIPS, its attractiveness will instantly be reduced as a result of having to work predominantly in yuan, which has the aforementioned privacy issue. However, it remains a viable alternative to Swift, which could help countries that currently feel the full force of US economic sanctions. The problem is that [CIPS is currently incredibly small compared to Swift](#), with just 980 subscribing financial institutions, less than 10% of its counterpart. The net result of this is that the vision of a grand Chinese international payments system is, for the moment, a figment of the imagination.

Looking into 2021, fears of China using the development of digital payments systems to usurp US hegemony should not be entirely dismissed though. The power of the pandemic to cause unexpected economic change goes without saying and the progress of wider Chinese challenges to US dominance continue. With Facebook's Libra, the would-be Western alternative to Chinese digital payments systems, looking to be rejected due to security fears, Chinese dominance of digital payments systems will continue to grow with little impediment. Therefore, China's challenge to the dollar will only strengthen, and we could be bearing witness to the formative stages of a fundamental paradigm shift in the global balance of power.



The Pandemic Blame Game: What Really Caused Covid-19?

By many, 2020 was written off before it had even ended. Branded as the year where ‘time stood still’, the locked-down world watched disaster after disaster roll in like each was another twist in the latest binge-worthy Netflix show. However, amongst the wild-fires, police brutality, racial oppression and the US Presidential drama, the Coronavirus Pandemic was the one 2020 channel that you couldn’t switch off no matter where or who you were in the world.

Lockdowns, social distancing and masks are the ‘new norm’. Yet even with the roll-out of the Covid-19 vaccine, we risk losing sight of the fact that these measures are a mere band-aid on the underlying issues driving 21st century pandemics. While all eyes are fixated on the immediate issue of suppressing the current virus, in the shadows remains the [deforestation](#)

[and callous agricultural practises which are at the heart of the current pandemic.](#) These exploitative practises have been sowing the seeds for our own destruction for decades. Yet even with the fruition of a pandemic as socially and economically debilitating as Covid-19, we seem reluctant to confront its root cause as one partly of our own making.

Although Covid-19 and its devastating impact on our cushy St Andrews student way of life may be new, the impact of humanities destructive practises in fuelling pandemics are not. The growth in zoonotic diseases, which are transmissible from animals to humans, has been the price to pay for our greed. Like all [recent serious pandemics; Ebola, HIV, SARS and Swine Flu, Covid-19 has been linked back to our incredible draining of nature’s resources.](#) Cramped livestock conditions and displaced wild animals are providing the perfect conditions for zoonotic germs to spill into the human population, making Covid-19 the latest and deadliest outcome of our complacency towards change.

Organisations such as [UNEP are already urging the world to address our exploitation of nature as the root cause of the current pandemic.](#) With [other experts in the field pointing to the fact](#)

[that Covid-19 will likely not be the last time we face a debilitating pandemic](#) in our lifetime. These cries add to a [long list of distress](#) signals, dating back decades, about the inevitability of a deadly pandemic sparked by human interference in the natural world. From the warning calls of the [director general of WHO](#) in 2010, [Barack Obama](#) in 2014 and [Bill Gates](#) in 2015, there has been a consistent preaching of the fact that a deadly pandemic was looming over humanity. And more disturbingly, a uniform alert to our lack of preparation for it.

[Larry Brilliant's 2006 TED talk](#) stands as just one of [countless others](#) walking us step by step through a pandemic timeline terrifyingly accurate to what we all experienced with shock horror in 2020. The rapid worldwide spread, grounded airplanes and global depressions all for a virus with no vaccine were all predicted for the near future by 90% of the epidemiologists in Brilliant's associated study. [David Quammen's 2012 book 'Spillover'](#) further touches on everything from our growing livestock populations to habitat destruction in his outline of humanity's role in promoting pandemics.

With the avalanche of warnings, the time to sit up, take heed and fundamentally change our practises was years ago. Instead of evolving our methods, humanity, with a finger in each ear, has continued to strip forests, butcher animals and expand rather than retract our harmful, pandemic promoting practises. We have just made it easier for the next virus to jump into our lives.

And operating under the cover of ignorance to its connection with pandemics, deforestation is further accelerating at an alarming rate to make room for our meat production. With [2020 worldwide rates reaching over 150% of the 2017-19 averages of the same months](#), we have to ask ourselves why the global outrage has not matched the damage caused.

In ignoring the distress signals of man made climate change for decades, Mother Nature has hit us with a pandemic protest that is even more deafening. [From shrinking the biodiversity in](#)

[our forests to melting the ice in our arctic](#), our relentless resource extraction has driven up production of greenhouse gases with no regard for any species but ourselves. Covid-19 now stands as the [latest bite back from nature](#), in revenge for decades of human abuse. With [close to a third of newly emerging diseases now being linked to large-scale deforestation, urbanisation and agriculture expansions](#), we cannot continue down our current path and expect to keep dodging pandemic bullets. Until we wake up from the sleep-walk that led us directly into it, deadly pandemics risk becoming a sustained 'new normal' for generations to come.

The consequences of rampant deforestation go deeper than the loss of a few unknown plants or brightly coloured animals. [In fuelling greenhouse gases, soil erosion, flooding and climate change](#), the destruction of tropical rainforests threatens the sustainability of mankind as much as it does the [80% of world biodiversity which](#) call these forests home.

This is because fundamentally, deforestation is [breaking down the barriers](#) that keep different species apart. And in doing so, it has opened the floodgates for diseases once confined to wildlife to silently leap into human populations. [Bats, humans and livestock are becoming increasingly interactive because of our destruction of natural habitats and simultaneous expansions in urban and agricultural areas](#). Pushed out of their homes and into human environments, wild animals like bats take with them a plethora of deadly disease. Ready to spring [from bat hosts to humans, Ebola, Nipah and Covid-19](#) are just a few which have so far made that leap.

But with each case, it was our deforestation that triggered and accelerated the spread of zoonotic disease. Combined with cramped factory farms and multi-species meat markets, we have provided [the ideal breeding ground for virus mutation](#). Welcoming the [spillover of bat pathogens into our population](#) in a way which ultimately facilitated, rather than prevented, the jump in of Covid-19. A pandemic which, despite its [1% global death rate](#), has threatened near

global collapse and caused immeasurable human and economic loss.

It is hard to imagine what life would have looked like if the current virus was much deadlier. How global economies would have coped if Covid-19 had been an ultimate killer. We have arguably yet again dodged a pandemic bullet, with the current pandemic standing as a warning rather than a wipe-out.

Despite this, humanity's God-like complex seems to have no bounds. In the March 2020 depths of Covid-19, [worldwide deforestation rates were reaching over 150% of the 2017-19 averages](#) of the same months. It points to a continued ignorance towards the role deforestation, and indeed humanity, played in fuelling the current pandemic. In losing sight of our role in Covid-19, we risk losing an opportunity to change our ways while we still can. And the more we tempt fate with the virus that gets to us next.

Yet with a terrifying [third of Earth's land now being used for agriculture](#), it is clear that we have pursued an insatiable demand for meat with no regard for these consequences. Despite the fact that every human epidemic has stemmed from animals, we continue to add fuel to this fire with our ever [expanding consumption of meat](#). Evermore ignoring the associated [warning signs of climate change, antibiotics resistance or past near misses](#) from viruses passed from livestock into humans.

From the factory farms in the States, to the wild meat markets in rural China and the deforestation neighbouring them both, there is a global complacency for how these human practises have once again led us into a pandemic. [In 2003, it was the SARS outbreak tied to Chinese meat markets and the spill-over of bat pathogens from wild cats to humans](#). In [2009, it was Swine Flu originating in pig confinement in Mexico](#). And while [bats have yet again been brandished as the public scapegoat for Covid-19](#) in 2020, it is time we re-shifted the public eye towards the real culprit.

We need to accept Covid-19 for what it really is: the latest and most severe symptom of an exploitation epidemic, much wider and deeply entrenched into human society than one isolated pandemic. In the case of Covid-19, it has [highlighted the desperate need for greater regulation of rural Chinese meat markets](#). But on a wider scale, it brings into question our resource extraction and deep denial when it comes to changing our methods, and attitudes, towards the natural world.

Treating COVID-19 as 'the problem' is as alarming as it is short-sighted. It equates to continually crashing your car and taking the car to the repair shop rather than learning how to improve your dangerous driving, the real issue which needs to be addressed. You are the one in the driving seat, and until you adjust how you press the pedals and steer the wheel, you will continue to hit brick walls and bankrupt yourself on fixing the car. There are only so many times you can crash yet live to tell the tale. And when it comes to our planet, we are playing Russian roulette one forest at a time. 'Beating' Covid-19 may patch the paintwork, but a failure to address our role in what triggered the current pandemic makes it more a 'when' not an 'if' for the next one.

2021 offers the opportunity to reflect and rebalance our relationship with the natural world. To come together to fight off our unsustainable practises with as much force as we have towards the current virus. While it may have changed the world forever, now is the time to upgrade from reactive to proactive responses when it comes to pandemics. And finally confront the fact that we cannot thrive when the world around us is being ripped up by our own hands.